

**CITY OF SANTA BARBARA  
CITY COUNCIL**

**Helene Schneider**  
*Mayor*  
**Randy Rowse**  
*Mayor Pro Tempore*  
**Grant House**  
*Ordinance Committee Chair*  
**Dale Francisco**  
*Finance Committee Chair*  
**Frank Hotchkiss**  
**Cathy Murillo**  
**Bendy White**



**James L. Armstrong**  
*City Administrator*

**Stephen P. Wiley**  
*City Attorney*

**City Hall**  
*735 Anacapa Street*  
<http://www.SantaBarbaraCA.gov>

**MARCH 5, 2013  
AGENDA**

**ORDER OF BUSINESS:** Regular meetings of the Finance Committee and the Ordinance Committee begin at 12:30 p.m. The regular City Council meeting begins at 2:00 p.m. in the Council Chamber at City Hall.

**REPORTS:** Copies of the reports relating to agenda items are available for review in the City Clerk's Office, at the Central Library, and <http://www.SantaBarbaraCA.gov>. In accordance with state law requirements, this agenda generally contains only a brief general description of each item of business to be transacted or discussed at the meeting. Should you wish more detailed information regarding any particular agenda item, you are encouraged to obtain a copy of the Council Agenda Report (a "CAR") for that item from either the Clerk's Office, the Reference Desk at the City's Main Library, or online at the City's website (<http://www.SantaBarbaraCA.gov>). Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packet are available for public inspection in the City Clerk's Office located at City Hall, 735 Anacapa Street, Santa Barbara, CA 93101, during normal business hours.

**PUBLIC COMMENT:** At the beginning of the 2:00 p.m. session of each regular City Council meeting, and at the beginning of each special City Council meeting, any member of the public may address the City Council concerning any item not on the Council's agenda. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that public comment is taken up by the City Council. Should City Council business continue into the evening session of a regular City Council meeting at 6:00 p.m., the City Council will allow any member of the public who did not address them during the 2:00 p.m. session to do so. The total amount of time for public comments will be 15 minutes, and no individual speaker may speak for more than 1 minute. The City Council, upon majority vote, may decline to hear a speaker on the grounds that the subject matter is beyond their jurisdiction.

**REQUEST TO SPEAK:** A member of the public may address the Finance or Ordinance Committee or City Council regarding any scheduled agenda item. Any person wishing to make such address should first complete and deliver a "Request to Speak" form prior to the time that the item is taken up by the Finance or Ordinance Committee or City Council.

**CONSENT CALENDAR:** The Consent Calendar is comprised of items that will not usually require discussion by the City Council. A Consent Calendar item is open for discussion by the City Council upon request of a Councilmember, City staff, or member of the public. Items on the Consent Calendar may be approved by a single motion. Should you wish to comment on an item listed on the Consent Agenda, after turning in your "Request to Speak" form, you should come forward to speak at the time the Council considers the Consent Calendar.

**AMERICANS WITH DISABILITIES ACT:** In compliance with the Americans with Disabilities Act, if you need special assistance to gain access to, comment at, or participate in this meeting, please contact the City Administrator's Office at 564-5305 or inquire at the City Clerk's Office on the day of the meeting. If possible, notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements in most cases.

**TELEVISION COVERAGE:** Each regular City Council meeting is broadcast live in English and Spanish on City TV Channel 18 and rebroadcast in English on Wednesdays and Thursdays at 7:00 p.m. and Saturdays at 9:00 a.m., and in Spanish on Sundays at 4:00 p.m. Each televised Council meeting is closed captioned for the hearing impaired. Check the City TV program guide at [www.citytv18.com](http://www.citytv18.com) for rebroadcasts of Finance and Ordinance Committee meetings, and for any changes to the replay schedule.

## **ORDER OF BUSINESS**

- 12:00 p.m. - Finance Committee Meeting, David Gebhard Public Meeting Room,  
630 Garden Street  
2:00 p.m. - City Council Meeting

### **SPECIAL FINANCE COMMITTEE MEETING - 12:00 P.M. IN THE DAVID GEBHARD PUBLIC MEETING ROOM, 630 GARDEN STREET (120.03)**

**1. Subject: Professional Services Agreements - Financial Advisory Services And Bond Counsel And Disclosure Services (240.03)**

Recommendation: That the Finance Committee:

- A. Hear a report from staff regarding the potential sale of Water Fund certificates of participation ("COPs") to refinance existing debt and the proposed hiring of a financial advisory firm and bond and disclosure counsel firm to assist in the potential issuance of Water, Wastewater and Waterfront Fund COPs; and
- B. Recommend to Council approval, subject to approval as to form by the City Attorney, of a professional services agreement with Orrick, Herrington & Sutcliff, LLP, for bond and disclosure counsel services in an amount not to exceed \$255,000 for all three potential transactions, and a professional services agreement with KNN Public Finance for financial advisory services in an amount not to exceed \$195,000 for all three potential transactions, with the costs of these services payable from the proceeds of the COPs if, and at such time as, the COPs are issued.

**2. Subject: Six-Year Capital Improvement Program - Fiscal Year 2014 Through 2019 (230.01)**

Recommendation: That the Finance Committee receive a report on the Six-Year Capital Improvement Program for Fiscal Year 2014 through 2019.

## REGULAR CITY COUNCIL MEETING – 2:00 P.M.

### CALL TO ORDER

### PLEDGE OF ALLEGIANCE

### ROLL CALL

### CEREMONIAL ITEMS

**1. Subject: Employee Recognition - Service Award Pins (410.01)**

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through March 31, 2013.

### CHANGES TO THE AGENDA

### PUBLIC COMMENT

### CONSENT CALENDAR

**2. Subject: Minutes**

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of February 19, 2013 (cancelled).

**3. Subject: Contract For Construction For De La Vina At Figueroa Intersection Improvements Project (530.04)**

Recommendation: That Council:

- A. Accept a Federal Highway Safety Improvement Program grant in the total amount of \$326,300;
- B. Authorize the increase of estimated revenues and appropriations in the Fiscal Year 2013 Streets Fund by \$326,300 for the De La Vina at Figueroa Intersection Improvements Project;
- C. Award a contract with Lash Construction, Inc., in their low bid amount of \$271,443.75 for construction of the De La Vina at Figueroa Intersection Improvements Project, Bid No. 3667; and

(Cont'd)

## CONSENT CALENDAR (CONT'D)

### 3. (Cont'd)

- D. Authorize the Public Works Director to execute the contract and approve expenditures up to \$27,144 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment.

### 4. **Subject: Professional Services Contract With Goodwin Simon Strategic Research For Water Quality Public Opinion Research (540.11)**

Recommendation: That Council authorize the Parks and Recreation Director to execute a professional services contract with Goodwin Simon Strategic Research in the amount of \$40,200 to conduct public opinion research related to creek restoration, water quality, and sources of creek and ocean water pollution.

### 5. **Subject: Appropriation Of K-9 Funds And K-9 Purchase (800.01)**

Recommendation: That Council:

- A. Appropriate \$24,700 from the Police K-9 Unit Trust Fund, from available reserves, to the Police K-9 Account for the purchase of a Police canine and related equipment, training, and program costs; and
- B. Find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code §4.52.080 (k) and approve the purchase of a new canine, equipment, and related training from Mission Canines.

### 6. **Subject: Purchase Of Two "Trikkies" - Tactical Patrol/ Beat Coordinator Units (520.04)**

Recommendation: That Council:

- A. Accept a donation in the amount of \$8,000 from the Santa Barbara Police Foundation; and
- B. Approve an increase in appropriations and estimated revenues in the amount of \$8,000 in Fiscal Year 2013 to the General Fund, Police Department, budget for the purchase of two "Trikkies".

## CONSENT CALENDAR (CONT'D)

### 7. **Subject: Contract For Construction For The Mission Creek Fish Passage Phase 2 (Final Phase) Project (530.03)**

Recommendation: That Council:

- A. Accept \$775,000 in grant funds from the California Wildlife Conservation Board for the construction of the Mission Creek Fish Passage Phase 2 Project;
- B. Accept \$300,000 in grant funds from the State Coastal Conservancy for the construction of the Mission Creek Fish Passage Phase 2 Project;
- C. Accept \$75,000 in grant funds from the Parks and Recreation Community Foundation (from the Santa Barbara Foundation) for construction of the Mission Creek Fish Passage Phase 2 Project;
- D. Increase appropriations and estimated revenue in the Creeks Capital Fund by \$1,150,000 for the Mission Creek Fish Passage Phase 2 Project;
- E. Transfer \$78,859 from the Creeks Fund's reserves to the Creeks Capital Fund and appropriate the funds to the Mission Creek Fish Passage Phase 2 Project;
- F. Note that the apparent low bid submitted by Shaw Contracting, Inc., in the amount of \$2,248,290 for the Mission Creek Fish Passage Phase 2 Project, Bid No. 3620, contained mathematical errors and they have formally withdrawn their bid;
- G. Award a contract with Schock Contracting Corporation in their low bid amount of \$2,824,000 for construction of the Mission Creek Fish Passage Phase 2 Project, Bid No.3620;
- H. Authorize the Public Works Director to execute the contract and approve expenditures up to \$282,400 to cover any construction cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment;
- I. Authorize the Public Works Director to execute a contract with HDR Engineering, Inc., in the amount of \$59,750 for construction support services, and approve expenditures of up to \$5,975 for extra services of HDR Engineering, Inc., that may result from necessary changes in the scope of work; and
- J. Authorize the Public Works Director to execute a contract with BTC Labs - Vertical Five in the amount of \$44,834 for construction support services, and approve expenditures of up to \$4,483 for extra services of BTC Labs - Vertical Five, that may result from necessary changes in the scope of work.

## **CONSENT CALENDAR (CONT'D)**

### **8. Subject: Authorization To Apply For A State Revolving Fund Loan For Wastewater Capital Projects of Approximately \$20 Million (540.13)**

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the City Administrator to Execute and Deliver an Application to the State Water Resources Control Board for a Clean Water State Revolving Fund Financing Agreement; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Stating the City's Intent to Reimburse Expenditures Paid Prior to Either the Issuance of Obligations or the Approval by the State Water Resources Control Board of the Project Funds for the Secondary Treatment Process Improvements Project at the El Estero Wastewater Treatment Plant.

### **9. Subject: Set A Date For Public Hearing Regarding Architectural Board Of Review's Approval For 1911 Chino Street.**

Recommendation: That Council:

- A. Set the date of March 19, 2013, at 6:00 p.m. for hearing the appeal filed by Evelyn Lee et al. of the Architectural Board of Review approval of an application for property owned by Alamar II, LLC and located at 1911 Chino Street, Assessor's Parcel No. 043-121-013, R-2 Residential Zone, General Plan Designation: Medium Density Residential. The project proposes to demolish an existing detached 600 square foot two-car garage and construct a new 1,320 square foot two-story single-family residence and attached 407 square foot two-car garage. The project is located at the rear of the 7,500 square foot lot behind the existing 990 square foot one-story single-family residence. A new driveway and two uncovered parking spaces are also proposed; and
- B. Set the date of March 18, 2013, at 1:30 p.m. for a site visit to the property located at 1911 Chino Street.

## **NOTICES**

- 10. The City Clerk has on Thursday, February 28, 2013, posted this agenda in the Office of the City Clerk, on the City Hall Public Notice Board on the outside balcony of City Hall, and on the Internet.

**This concludes the Consent Calendar.**

## **REPORT FROM THE FINANCE COMMITTEE**

## **CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

### **COMMUNITY DEVELOPMENT DEPARTMENT**

#### **11. Subject: Municipal Code Amendments for Implementation of the Nonresidential Growth Management Program (610.04)**

Recommendation: That Council:

- A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara adding Chapter 28.85 to the Santa Barbara Municipal Code, deleting Sections 28.87.300 and 28.87.350, and amending Sections 28.95.010 through 28.95.070 to implement the City's 2011 General Plan Nonresidential Growth Management Program; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara adopting Amended Administrative Procedures for the implementation of the General Plan Growth Management Program and the adoption of the City Traffic Management Strategy and rescinding Resolution No. 12-075.

### **PUBLIC WORKS DEPARTMENT**

#### **12. Subject: Six-Year Capital Improvement Program - Fiscal Year 2014 Through 2019 (230.01)**

Recommendation: That Council receive a report on the Six-Year Capital Improvement Program for Fiscal Year 2014 through 2019.

## **COUNCIL AND STAFF COMMUNICATIONS**

## **COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

## **CLOSED SESSIONS**

#### **13. Subject: Conference With Labor Negotiator (440.05)**

Recommendation: That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Fire Management Association and the Police Officers' Association, and regarding discussions with certain unrepresented managers about salaries and fringe benefits.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

## **ADJOURNMENT**

CITY OF SANTA BARBARA  
**FINANCE COMMITTEE**  
SPECIAL MEETING AGENDA

DATE: March 5, 2013

Dale Francisco, Chair

TIME: 12:00 P.M.

Bendy White

PLACE: David Gebhard Public Meeting Room  
630 Garden Street

Cathy Murillo

James L. Armstrong  
City Administrator

Robert Samario  
Finance Director

**ITEMS TO BE CONSIDERED:**

**1. Subject: Professional Services Agreements - Financial Advisory Services And Bond Counsel And Disclosure Services**

Recommendation: That the Finance Committee:

- A. Hear a report from staff regarding the potential sale of Water Fund certificates of participation ("COPs") to refinance existing debt and the proposed hiring of a financial advisory firm and bond and disclosure counsel firm to assist in the potential issuance of Water, Wastewater and Waterfront Fund COPs; and
- B. Recommend to Council approval, subject to approval as to form by the City Attorney, of a professional services agreement with Orrick, Herrington & Sutcliff, LLP, for bond and disclosure counsel services in an amount not to exceed \$255,000 for all three potential transactions, and a professional services agreement with KNN Public Finance for financial advisory services in an amount not to exceed \$195,000 for all three potential transactions, with the costs of these services payable from the proceeds of the COPs if, and at such time as, the COPs are issued.

**2. Subject: Six-Year Capital Improvement Program - Fiscal Year 2014 Through 2019**

Recommendation: That the Finance Committee receive a report on the Six-Year Capital Improvement Program for Fiscal Year 2014 through 2019.



## CITY OF SANTA BARBARA FINANCE COMMITTEE AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Finance Committee

**FROM:** Administration Division, Finance Department  
Water Resources Division, Public Works Department  
City Attorney's Office

**SUBJECT:** Professional Services Agreements – Financial Advisory Services And  
Bond Counsel And Disclosure Services

**RECOMMENDATION:** That Finance Committee:

- A. Hear a report from staff regarding the potential sale of Water Fund certificates of participation ("COPs") to refinance existing debt and the proposed hiring of a financial advisory firm and bond and disclosure counsel firm to assist in the potential issuance of Water, Wastewater and Waterfront Fund COPs; and
- B. Recommend to Council approval, subject to approval as to form by the City Attorney, of a professional services agreement with Orrick, Herrington & Sutcliff, LLP, for bond and disclosure counsel services in an amount not to exceed \$255,000 for all three potential transactions, and a professional services agreement with KNN Public Finance for financial advisory services in an amount not to exceed \$195,000 for all three potential transactions, with the costs of these services payable from the proceeds of the COPs if, and at such time as, the COPs are issued.

### **DISCUSSION:**

Over the next year, City staff will be evaluating the feasibility of issuing certificates of participation (COPs) in the Water Fund, Wastewater Fund and Waterfront Fund. In the case of the Water and Waterfront Funds, the purpose of such a sale would be to refinance existing long-term indebtedness primarily to capitalize on historically low interest rates. In the case of the Wastewater Fund, the purpose is twofold: first, to refinance existing debt; and second, to provide financing for a large capital improvement project at El Estero Treatment Plant.

The first COP City staff will be evaluating is for the Water Fund. Later, within the year, staff will be considering two other bond sales for the Wastewater Fund and Waterfront Fund. Staff from the Public Works, City Attorney and Finance Departments have been completed a preliminary analysis and it appears that the City could reduce its overall annual debt service costs. Additionally, the refinancing of existing debt will eliminate

## Council Agenda Report

### Professional Services Agreements – Financial Advisory Services And Bond Counsel And Disclosure Services

March 5, 2013

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confusing and conflicting covenants among all outstanding debt, which will facilitate the sale of future debt.

The Water Fund currently has five outstanding debt obligations, which include the 2002 Refunding Certificates of Participation, the 1994 Refunding Revenue Bonds, and three separate loans from the State Department of Water Resources (DWR) through its revolving loan program.

In total, the Water Fund has \$79.4 million in outstanding long-term debt. It is unlikely that the most recent loan of \$29 million from the DWR will be included in the refinancing and the 1994 bonds may be cash refinanced from existing reserves rather than new COPs. As such, a total of \$48.3 million in debt would likely be included within the potential debt refinancing.

Whether staff ultimately recommends moving forward with debt refinancing in the Water Fund is dependent on what savings in debt service costs will actually be realized. The calculation of savings is impacted by the interest rate on the refunding COPs and to what extent they may rise as we move closer to the actual sale; and the costs to sell the COPs (i.e., legal and financial advisory costs, rating agency and underwriting costs that might be paid). With the exception of rating agency costs, all of the costs are payable solely from COP proceeds, and only if the COPs are actually sold; therefore, only minimal costs will be incurred up front and there is no commitment to incur other costs until these factors have been appropriately analyzed and the COPs are actually sold.

Based on the work done to date, staff is at the point where bond/disclosure counsel and a financial advisor should be retained to assist City staff with the analysis, gathering appropriate documentation and preparing the necessary documents for a potential sale. A description of the firms, their respective scope of services and related fees are provided below.

#### **Financial Advisory Services**

The City historically has used financial advisors with the issuance of long-term debt. For example, with the recent sale of Airport Certificates of Participation, the City used a financial advisor. For a number of years, the City has retained the services of KNN Public Finance for financial advisory services. KNN is a highly qualified firm with extensive knowledge of the City's operations and past bond sales. Staff believes this expertise and knowledge of the City is important to ensure any bond sale is based on a thorough understanding of the City's needs and the bond market.

In general, the role of a financial advisor is to serve as an independent advocate for the seller of bonds or other indebtedness and provide the seller with the information necessary to make intelligent, informed decisions. The sale of bonds is a highly specialized, complicated and nuanced transaction, requiring a level of expertise not generally held by municipal finance professionals within the City. Specifically, the financial advisor helps

## Council Agenda Report

### Professional Services Agreements – Financial Advisory Services And Bond Counsel And Disclosure Services

March 5, 2013

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structure the financing to get the best rate for the City, reviews and gives advice on the bond underwriter's proposals in a negotiated bond sale, reviews documents from bond counsel and disclosure counsel, and coordinates the bond issuance closing process. For a competitive sale of the bonds, the financial advisor structures the bond issue, conducts a public sale, identifies the winning bidder and coordinates the bond issuance closing process.

While staff is currently seeking financial advisory services in connection with the sale of refinancing Water bonds, other bond sales will also be evaluated within the year. Therefore, the scope of services described below encompasses the full range of services that may be provided to the City.

The scope of KNN's service will include, but not be limited to, the following:

1. In conjunction with the underwriter, as appropriate, the City and the Rate Consultant develop a financing plan to meet the City's construction time line for new capital projects, capital plan, any additional covenants and projected cash flow needs.
2. Assist in the selection of other financing team members, such as underwriter, bond counsel, verification agent, trustee and Rate Consultant, as necessary.
3. Coordinate the efforts of the underwriter, if any, City staff, bond and disclosure counsel, Rate Consultant, City Attorney, and City elected officials, with respect to the preparation and approval of the financing documents by the City Council.
4. In conjunction with the underwriter, if any, and bond counsel, recommend specific financial covenants, terms and provisions, including maturity schedules, timing of sale, call provisions and related matters.
5. Review and provide appropriate revisions and recommendations to legal documents, Rate Consultant report, the official statement and other documents.
6. Prepare and coordinate the appropriate presentation to the rating services and bond insurer.
7. Coordinate the sale and closing of the transactions.

KNN's fee for an initial bond sale is \$75,000. Their fees would be reduced to \$60,000 for any subsequent bond sale within 9 months of the closing of the first sale.

### **Bond and Disclosure Counsel Services**

Staff recommends retaining Orrick, Herrington & Sutcliff, LLP (OH&S) for both bond counsel and disclosure counsel. OH&S has assisted the City with a number of bond sales over the years. They have a strong knowledge of City operations and have tremendous experience in the area of bond sales and public finance.

Council Agenda Report

Professional Services Agreements – Financial Advisory Services And Bond Counsel And Disclosure Services

March 5, 2013

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As Bond Counsel, OH&S will provide the legal opinion delivered with the bonds confirming that the bonds are valid and binding obligations of the City and, customarily, that interest on the bonds is exempt from federal and state income taxes. For each bond the City sells, OH&S will provide the following services:

1. Consultation with representatives of the City, the underwriter and/or the financial advisor, consultants and others concerning the financing, its timing, terms and structure. Such consultation will include considerations of the California law, federal tax law and municipal bond law as they affect the proposed financing.
2. Preparation of legal proceedings for the authorization, sale and issuance of the Certificates of Participation; preparation of the proceedings for the execution, delivery and sale of the COPs and advice to the City concerning the terms thereof; preparation of other proceedings (including closing papers) required in connection with the issuance of the COPs. All legal proceedings for action by the City necessary for the execution and delivery of the COPs will be prepared by Bond Counsel and will be subject to the approval of the City Attorney.
3. The rendering of a final legal opinion on the validity of the COPs and exclusion from gross income for federal tax purposes of interest payable on the COPs.

As Disclosure Counsel, OH&S will advise the City with respect to compliance with federal and state securities laws in the course of the debt issuance process. Specifically, OH&S will provide the following services:

1. With the assistance of the City Attorney's Office and staff of the City, prepare disclosure documents including the Official Statement which shall contain disclosures relating to the City, the underlying funds and the COPs.
2. Examine the proceedings, participate in any conference calls, and attend all due diligence meetings of the financing teams and the City Council relating to the drafting and approval of the Official Statement.
3. Issue a "10b-5 opinion" in the Firm's customary form addressed to the City.

Fees for both bond counsel and disclosure counsel services will not exceed \$85,000 for each bond sale, subject to reductions should the City pursue more than one debt issuance within 18 months.

**SUBMITTED BY:** Robert Samario, Finance Director  
Sarah J. Knecht, Assistant City Attorney

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## FINANCE COMMITTEE REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Finance Committee

**FROM:** Administration Division, Public Works Department

**SUBJECT:** Six-Year Capital Improvement Program - Fiscal Year 2014 Through 2019

### RECOMMENDATION:

That the Finance Committee receive a report on the Six-Year Capital Improvement Program for Fiscal Year 2014 through 2019.

### DISCUSSION:

In accordance with City Charter Section 604(d), the City's Six-Year Capital Improvement Program (CIP) has been prepared and filed with the City Clerk.

The capital projects listed in the CIP document, along with the currently funded Capital Program, will form the basis for the capital projects proposed for City Council approval as part of the Fiscal Year 2014 – 2015 Financial Plan.

The six-year total for the CIP exceeds \$642 million and includes the General Fund, Enterprise and Special funds, with most funded projects in the Enterprise and Special funds. The table below summarizes the total amount of funded and unfunded projects and totals of funded projects by City and Non-City sources:

<b>Six-year Total for the CIP</b>	<b>\$642M</b>
Funded projects:	\$206 M
City Source	\$170 M
Non-City Source	\$ 36 M
Unfunded Projects	\$436M

Each department representative is prepared to discuss their Capital Program, specifically the projects that will be submitted as part of the Two-Year Financial Plan for Fiscal Year 2014 - 2015, and to address major capital project needs that are unfunded.

**SUSTAINABILITY IMPACT:**

The CIP includes projects that promote the goals of the City's Sustainability Plan. Many of the upgrades and maintenance projects for City facilities included in the CIP will enhance energy efficiency, use recyclable materials, and promote a longer maintenance cycle.

**THE CAPITAL IMPROVEMENT PROGRAM 2014 - 2019 IS AVAILABLE FOR REVIEW IN THE CITY CLERK'S OFFICE.**

**PREPARED BY:** Kathleen Kefauver, Administrative Analyst III/mh

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** City Administrator's Office

**SUBJECT:** Employee Recognition – Service Award Pins

### **RECOMMENDATION:**

That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through March 31, 2013.

### **DISCUSSION:**

Since 1980, the City Employees' Recognition Program has recognized length of City Service. Service award pins are presented to employees for every five years of service. Those employees achieving 25 years of service or more are eligible to receive their pins in front of the City Council.

Attached is a list of those employees who will be awarded pins for their service through March 31, 2013.

**ATTACHMENT:** March 2013 Service Awards

**PREPARED BY:** Myndi Hegeman, Administrative Specialist

**SUBMITTED BY:** Marcelo López, Assistant City Administrator

**APPROVED BY:** City Administrator's Office

**MARCH 2013 SERVICE AWARDS**

MARCH 5, 2013 Council Meeting

**5 YEARS**

Jessica Grant, Project Planner, Public Works Department

**10 YEARS**

Thomas Doolittle, Information Systems Manager, Information Systems  
Department

John Nielsen, Laboratory Analyst II, Public Works Department

**15 YEARS**

N. Scott Vincent, Assistant City Attorney III, City Attorney's Office

Barbara Sansone, Executive Assistant, Police Department

Eric Beecher, Police Sergeant, Police Department

Frank Dealy, Reservoir & Dam Care / Distribution Operator, Public Works  
Department

Dale Escobar, Wastewater Collection System Operator - Technician I, Public  
Works Department

Milisav Pavlovic, Senior Control Systems Operations Specialist, Public Works  
Department

**25 YEARS**

Carol Schmitter, Administrative Specialist, Police Department

Eric Johnson, Water Distribution Operator / Emergency Services, Public Works  
Department

Andrea Crippa, Senior Airport Maintenance Worker, Airport Department

**35 YEARS**

William Veazey, Fire Engineer, Fire Department



**CITY OF SANTA BARBARA  
CITY COUNCIL MINUTES**

**REGULAR MEETING  
February 19, 2013  
COUNCIL CHAMBER, 735 ANACAPA STREET**

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The regular meeting of the City Council, scheduled for 2:00 p.m. on February 19, 2013, was cancelled by the Council on November 6, 2012.

The next regular meeting of the City Council is scheduled for February 26, 2013, at 2:00 p.m. in the Council Chamber.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

\_\_\_\_\_  
HELENE SCHNEIDER  
MAYOR

ATTEST: \_\_\_\_\_  
SUSAN TSCHECH, CMC  
CITY CLERK SERVICES MANAGER



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department

**SUBJECT:** Contract For Construction For De La Vina At Figueroa Intersection Improvements Project

**RECOMMENDATION:** That Council:

- A. Accept a Federal Highway Safety Improvement Program grant in the total amount of \$326,300;
- B. Authorize the increase of estimated revenues and appropriations in the Fiscal Year 2013 Streets Fund by \$326,300 for the De La Vina at Figueroa Intersection Improvements Project;
- C. Award a contract with Lash Construction, Inc., in their low bid amount of \$271,443.75 for construction of the De La Vina at Figueroa Intersection Improvements Project, Bid No. 3667; and
- D. Authorize the Public Works Director to execute the contract and approve expenditures up to \$27,144 to cover any cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment.

### DISCUSSION:

#### PROJECT DESCRIPTION

The purpose of the De La Vina at Figueroa Intersection Improvements Project (Project) is to improve pedestrian safety at the intersection. On January 24, 2012, Council received a report on the options for improvements at the intersection of De La Vina and Figueroa Streets. Given four alternatives, Council directed staff to move forward with installing curb extensions at all corners of the intersection, as well as safety lighting (see Attachment). The curb extensions reduce the crossing distance for pedestrians from 36 feet to 28 feet on De La Vina Street, and are intentionally designed not to interfere with the normal movements of larger vehicles.

## CONSTRUCTION SCHEDULING

Construction is expected to begin in April 2013, and the contractor will have 40-working days to complete all construction, except for light pole installation. There is a six to nine month lead time necessary for delivery of the light poles that are included in the Project. Once the light poles have been delivered and accepted by the City, the contractor shall have an additional 10 working days to complete the light pole installation.

## TRAFFIC CLOSURES

Throughout construction, the contractor will be required to maintain at least one lane for vehicular traffic on De La Vina Street at all times. The contractor will be required to maintain at least one direction of vehicular traffic on Figueroa Street during the majority of the construction period, but toward the end of construction, they will be allowed to close Figueroa Street to accommodate the asphalt pavement reconstruction.

## CONTRACT BIDS

A total of ten bids were received for the subject work, ranging as follows:

	<b>BIDDER</b>	<b>BID AMOUNT</b>
1.	Lash Construction, Inc. Santa Barbara	\$271,443.75
2.	Aguilera Brothers Construction, Inc. Santa Paula	\$281,221.00
3.	Toro Enterprises, Inc. Oxnard	\$305,761.25
4.	Tomar Construction Santa Paula	\$306,563.00*
5.	V. Lopez Jr. & Sons, Inc. Santa Maria	\$311,108.50
6.	Granite Construction Company Watsonville	\$313,783.00
7.	Peter Lapidus Construction, Inc. Carpinteria	\$317,174.00*
8.	Berry General Engineering Ventura	\$326,657.75
9.	Mendez Concrete, Inc. Santa Paula	\$352,691.00*
10.	Shaw Contracting, Inc. Carpinteria	\$379,195.00

\*corrected bid total

The low bid of \$271,443.75, submitted by Lash Construction, Inc., is an acceptable bid that is responsive to and meets the requirements of the bid specifications.

The change order funding recommendation of \$27,144, or ten percent, is typical for this type of work and size of project.

#### COMMUNITY OUTREACH

Prior to the Project being discussed at Council on January 24, 2012, a notice was mailed to the neighborhood to make them aware of the topic at Council. Once the Project moved into final design, staff met with adjacent property owners, and the Project was presented to the Transportation Circulation Committee and Architectural Board of Review. In mid-March, staff will again notify the property owners and residents located near the Project location of the upcoming construction, via mailers. Prior to construction, the contractor will be responsible for the final notice, which will be given via door hangers, 72 hours prior to construction.

#### FUNDING

The total project cost, as shown below is \$398,161. The Highway Safety Improvement Program grant will fund \$326,300 of the construction costs. Of the remaining costs totaling \$71,861, a portion related to design has already been funded and spent and the remaining portion will be funded from existing appropriations in the Streets Fund.

The following summarizes the expenditures recommended in this report:

#### CONSTRUCTION CONTRACT FUNDING SUMMARY

	<b>Basic Contract</b>	<b>Change Funds</b>	<b>Total</b>
Lash Construction, Inc.	\$271,443.75	\$27,144.00	\$298,587.75
<b>TOTAL RECOMMENDED AUTHORIZATION</b>			<b>\$298,587.75</b>

The following summarizes all Project design costs, construction contract funding, and other Project costs:

**ESTIMATED TOTAL PROJECT COST**

*\*Cents have been rounded to the nearest dollar in this table.*

	<b>Federal Share</b>	<b>City Share</b>	<b>Total</b>
Design (by Contract – Landscape Architect)	\$0	\$3,757	\$3,757
City Design Costs	\$0	\$23,419	\$23,419
<b>Subtotal</b>	<b>\$0</b>	<b>\$27,176</b>	<b>\$27,176</b>
Construction Contract	\$244,300	\$27,144	\$271,444
Construction Change Order Allowance	\$24,429	\$2,715	\$27,144
<b>Subtotal</b>	<b>\$268,729</b>	<b>\$29,859</b>	<b>\$298,588</b>
Other Construction Costs (testing, etc.)	\$5,000	\$8,485	\$13,485
Construction Management/Inspection (by City Staff)	\$52,571	\$6,341	\$58,912
<b>Subtotal</b>	<b>\$57,571</b>	<b>\$14,826</b>	<b>\$72,397</b>
<b>TOTAL PROJECT COST</b>	<b>\$326,300</b>	<b>\$71,861</b>	<b>\$398,161</b>

**SUSTAINABILITY IMPACT:**

The Project will improve safety and accessibility for pedestrians crossing the intersection of De La Vina and Figueroa Streets. Therefore, the Project will contribute to the City’s sustainability goals by encouraging more people to walk in the neighborhood, thereby reducing energy consumption and air pollution.

- ATTACHMENT(S):** Site Plan
- PREPARED BY:** John Ewasiuk, Principal Civil Engineer/MR/sk
- SUBMITTED BY:** Christine F. Andersen, Public Works Director
- APPROVED BY:** City Administrator’s Office



PUBLIC WORKS  
DEPARTMENT  
ENGINEERING DIVISION

APPROVED: \_\_\_\_\_ DATE \_\_\_\_\_  
CITY ENGINEER ORIGINAL SIGNED DATE \_\_\_\_\_

DESIGN MR \_\_\_\_\_  
DRAWN MR \_\_\_\_\_  
CHECKED BD \_\_\_\_\_

DATE APPROVED \_\_\_\_\_  
DATE \_\_\_\_\_

NO. \_\_\_\_\_

REVISIONS

NO. \_\_\_\_\_

DE LA VINA AT FIGUEROA INTERSECTION IMPROVEMENTS PROJECT

**DE LA VINA ST AT FIGUEROA ST**

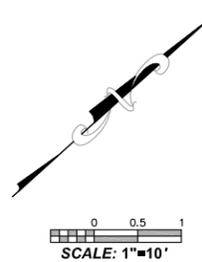
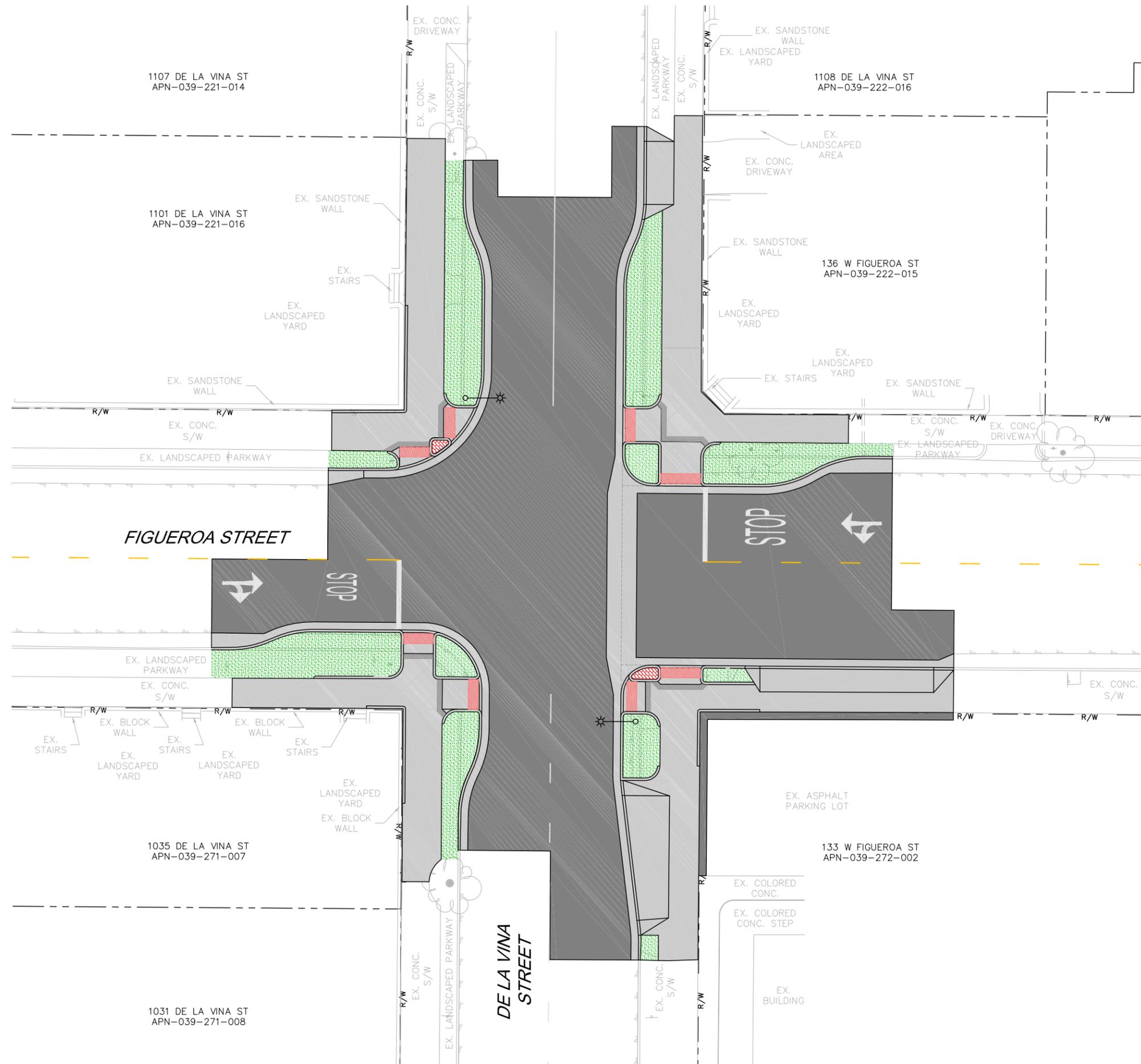
**SITE PLAN**

2012-00712  
PBW. NO.

3667 XX  
BID NO. SHT. DES.

C-1-4686  
DWG. NO.

SHT. X OF X





# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** Creeks Division, Parks and Recreation Department

**SUBJECT:** Professional Services Contract With Goodwin Simon Strategic Research For Water Quality Public Opinion Research

### **RECOMMENDATION:**

That Council authorize the Parks and Recreation Director to execute a professional services contract with Goodwin Simon Strategic Research in the amount of \$40,200 to conduct public opinion research related to creek restoration, water quality, and sources of creek and ocean water pollution.

### **DISCUSSION:**

#### Background

The City's Storm Water Management Program (SWMP) requires that the City implement a broad outreach campaign to educate the community about sources of and solutions to storm water pollution. The SWMP also requires that the City conduct a survey once every five years to gauge the success of those efforts and measure public awareness of local water quality issues.

Since 2003, the Creeks Restoration and Water Quality Improvement Division (Creeks Division) of the Parks and Recreation Department has developed and distributed a wide variety of print, radio, and television media (including brochures, advertisements, and public service announcements) related to creek and ocean water pollution. This has been an important component of the effort to increase community awareness about sources of creek and ocean water pollution, and to encourage residents to adopt behaviors that help to prevent pollution. In addition, the Creeks Division has conducted numerous community forums, partnered with volunteers for stewardship projects, and provided information at public events.

A public opinion survey conducted in 2002 provided baseline information about community knowledge on issues related to creek restoration and water quality, and was used to develop an education plan to guide outreach efforts. In 2008, a follow-up survey

was conducted to gauge the success of the Creeks Division's efforts, and to compare public knowledge of storm water issues tested in the previous survey.

The results of the 2008 survey were used to refocus education and outreach efforts, and to update the education plan. The 2008 survey showed that only 42% of residents knew that water that enters the storm drain system is not treated. The Creeks Division has since implemented a series of television, radio, and print advertisements with the message "The Ocean Begins on Your Street," featuring beach activities taking place at the storm drain. The survey also showed that only 22% of residents knew that they lived in a watershed. Based on these results, the Creeks Division created outreach materials including a poster with an aerial photo of the City with creeks and watersheds delineated, and the message "Explore Your Watershed!" A larger format poster is also displayed at local events, and visitors are asked "Which Watershed Do You Live in?" and are invited to place a sticker on the poster where they live. These efforts continue to draw attention to the importance of keeping our streets and storm drains clean in order to protect creek and ocean water quality.

### Scope of Work

The purpose of this follow-up public opinion research project is to allow the Creeks Division to measure the level of awareness of creek restoration and water quality issues and the impact of outreach and media strategies used, and to provide guidance for future outreach and education efforts.

The proposed research project includes an 18-minute telephone survey that will target 600 residents of the City of Santa Barbara. The survey will be conducted in both English and Spanish, and will include specific methodologies to ensure participation by difficult to survey segments of the community, such as residents who utilize cellular phones rather than land lines.

Goodwin Simon Strategic Research (GSSR) was selected from the responses to a request for proposals (RFP) issued by the Creeks Division in November 2012. Three proposals were received, and Creeks Division staff interviewed all three firms. GSSR was selected as the most qualified because of their extensive experience in both public opinion research and storm water and urban runoff pollution issues. GSSR also successfully conducted the Creeks Division's 2002 and 2008 surveys, and they are familiar with the sampling area and local creek and water quality issues.

### Project Schedule and Reporting

The survey will be conducted in April 2013, and a final report will be completed in June 2013. GSSR will present the results to the Creeks Advisory Committee. The results of this research will provide guidance for the next phase of education and outreach program activities.

**BUDGET/FINANCIAL INFORMATION:**

The total cost to complete this project is \$40,200. This amount includes questionnaire design, sampling, reporting, presentation, and project management, as well as translation, interviewing, sampling, and data processing costs. Funds for this project are appropriated in the Creeks Division's Fiscal Year 2013 operating budget.

**SUSTAINABILITY IMPACT:**

Reducing polluted urban runoff is critical for the protection of local creek and ocean water quality. An important goal of the Creeks Division's public outreach effort is to educate residents about specific behaviors and habits that can improve water quality. The public opinion research project will measure individuals' awareness of creek restoration and water quality issues, the impact of outreach and media strategies used, and provide guidance for future outreach and education efforts.

**PREPARED BY:** Cameron Benson, Creeks Restoration/Clean Water Manager

**SUBMITTED BY:** Nancy L. Rapp, Parks and Recreation Director

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013  
**TO:** Mayor and Councilmembers  
**FROM:** Chief's Staff, Police Department  
**SUBJECT:** Appropriation Of K-9 Funds And K-9 Purchase

**RECOMMENDATION:** That Council:

- A. Appropriate \$24,700 from the Police K-9 Unit Trust Fund, from available reserves, to the Police K-9 Account for the purchase of a Police canine and related equipment, training, and program costs; and
- B. Find it in the City's best interest to waive the formal bid procedure as authorized by Municipal Code §4.52.080 (k) and approve the purchase of a new canine, equipment, and related training from Mission Canines.

**DISCUSSION:**

The City maintains a trust fund to account for donations received for the benefit of the Santa Barbara Police Department K-9 program to help offset the cost of purchasing, training, and maintaining K-9 police dogs and to help with the purchase of day-to-day equipment necessary in maintaining a healthy working environment.

On January 26, 2013, K-9 police dog "Hondo" was retired from active duty. With the recent appointment of a new K-9 Police Officer, a new specially trained K-9 police dog will be purchased, along with related training and equipment. It is estimated that the costs associated with the purchase will be \$19,700. The additional funding necessary to offset the cost of maintaining the current day-to-day K-9 program through Fiscal Year 2013 will be an estimated \$5,000.

Staff proposes to purchase the replacement canine from Mission Canines, the vendor used since 1991. Mission Canines is a highly responsible local vendor. We have purchased five canines from Mission Canines. Mission Canines currently provides the department's ongoing monthly training. Staff is satisfied with the services of Mission Canines and wants to ensure the continued consistency of the K-9 program.

Currently, the balance of funds available from donations in the Police K-9 Unit Trust Fund is \$43,531. Staff is requesting that Council appropriate \$24,700 for K-9 program use through the end of Fiscal Year 2013.

Council Agenda Report  
Appropriation of K-9 Funds And K-9 Purchase  
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**PREPARED BY:** Captain David Whitham

**SUBMITTED BY:** Camerino Sanchez, Chief of Police

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** Patrol Division, Police Department

**SUBJECT:** Purchase Of Two "Trikkes" – Tactical Patrol/ Beat Coordinator Units

**RECOMMENDATION:** That Council:

- A. Accept a donation in the amount of \$8,000 from the Santa Barbara Police Foundation; and
- B. Approve an increase in appropriations and estimated revenues in the amount of \$8,000 in Fiscal Year 2013 to the General Fund, Police Department, budget for the purchase of two "Trikkes".

**DISCUSSION:**

The Santa Barbara Police Department is in the process of developing a new enforcement concept, Motorized Foot Patrol, which has several advantages over our current Bicycle Patrol methodology. Motorized Foot Patrol combines the advantages of traditional Foot Patrol policing (closeness to the community, visibility, beat ownership) with the mobility of motorized vehicles. Unlike bicycles, these vehicles are legally permitted to travel on sidewalks, allowing the officers increased visibility and accessibility to the community. The pilot program has been very well received by the Santa Barbara Downtown Organization and the Milpas Community Association. The downtown corridor and Milpas Street are the areas intended for this concept.

Over the past several months, the Santa Barbara Police Department has been field testing Segway and Trikke motorized vehicles, and we have decided to select the Trikke vendor over Segway. The Trikke is more stable, maneuverable, quick, and affordable as compared to the Segway. Although more costly than a bicycle, the acquisition of two Trikkes would be an excellent improvement to our Tactical Patrol Force and Beat Coordinator units.

For these reasons, the Santa Barbara Police Department has requested and received funds from the Santa Barbara Police Foundation to purchase two Trikkes (see attached price quote). No City funds will be used to purchase the Trikkes since the funding will come from this generous \$8,000 donation.

**ATTACHMENT:** Price quote from Trikke Tech, Inc.

**PREPARED BY:** Lieutenant Brent Mandrell

**SUBMITTED BY:** Camerino Sanchez, Chief of Police

**APPROVED BY:** City Administrator's Office



**Trikke Tech Inc.**

85 Industrial Way, St F  
 Buellton CA 93427  
 US  
 (805) 693-0800  
 www.trikke.com  
 Tax ID# 330899692

ATTACHMENT 1

# Proforma Invoice

Date	Estimate #
2/14/2013	1424

Bill To
Santa Barbara PD 215 East Figueroa Street Santa Barbara CA 93101

Ship To
Santa Barbara PD 215 East Figueroa Street Santa Barbara CA 93101

Expires	Ship Date	Terms	Ship Via	Incoterms
3/16/2013		Net 30	UPS Ground	

Item	Qua...	Description	Rate	Tax	Amount
T8H48VP-BKMA	2	Tribred Patrol \$400 trade in credit 1 year extended warranty with lights and siren systems, glove box, water bottle and cage, sets of side mirrors (battery and chargers ships separately)	3,449.00	Yes	6,898.00
BATKIT48V	2	Battery 48V - KIT (battery_ charger)	0.00	Yes	0.00

Subtotal	6,898.00
Shipping Cost (UPS Ground)	0.00
Tax (CA_SANTA BARBARA CO_AJAB 7.75%)	534.60
<b>Total</b>	<b>\$7,432.60</b>



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** Engineering Division, Public Works Department  
Creeks Division, Parks and Recreation Department

**SUBJECT:** Contract For Construction For The Mission Creek Fish Passage Phase 2 (Final Phase) Project

**RECOMMENDATION:** That Council:

- A. Accept \$775,000 in grant funds from the California Wildlife Conservation Board for the construction of the Mission Creek Fish Passage Phase 2 Project;
- B. Accept \$300,000 in grant funds from the State Coastal Conservancy for the construction of the Mission Creek Fish Passage Phase 2 Project;
- C. Accept \$75,000 in grant funds from the Parks and Recreation Community Foundation (from the Santa Barbara Foundation) for construction of the Mission Creek Fish Passage Phase 2 Project;
- D. Increase appropriations and estimated revenue in the Creeks Capital Fund by \$1,150,000 for the Mission Creek Fish Passage Phase 2 Project;
- E. Transfer \$78,859 from the Creeks Fund's reserves to the Creeks Capital Fund and appropriate the funds to the Mission Creek Fish Passage Phase 2 Project;
- F. Note that the apparent low bid submitted by Shaw Contracting, Inc., in the amount of \$2,248,290 for the Mission Creek Fish Passage Phase 2 Project, Bid No. 3620, contained mathematical errors and they have formally withdrawn their bid;
- G. Award a contract with Schock Contracting Corporation in their low bid amount of \$2,824,000 for construction of the Mission Creek Fish Passage Phase 2 Project, Bid No.3620;
- H. Authorize the Public Works Director to execute the contract and approve expenditures up to \$282,400 to cover any construction cost increases that may result from contract change orders for extra work and differences between estimated bid quantities and actual quantities measured for payment;
- I. Authorize the Public Works Director to execute a contract with HDR Engineering, Inc., in the amount of \$59,750 for construction support services, and approve expenditures of up to \$5,975 for extra services of HDR Engineering, Inc., that may result from necessary changes in the scope of work; and
- J. Authorize the Public Works Director to execute a contract with BTC Labs – Vertical Five in the amount of \$44,834 for construction support services, and

approve expenditures of up to \$4,483 for extra services of BTC Labs – Vertical Five, that may result from necessary changes in the scope of work.

## **EXECUTIVE SUMMARY:**

Impassable barriers in coastal creeks and rivers have had a major adverse impact on Southern California Steelhead Trout (Steelhead Trout) populations. The City has been at the forefront of restoring Steelhead Trout migration, utilizing the high quality spawning and rearing habitat within the stream channels in the mid and upper watershed of Mission Creek. In 2011, Council approved a project to modify the upstream channel of Mission Creek. That project was completed in July, 2012. This final phase, Phase 2, will complete channel modification in the downstream portion of Mission Creek and provide Steelhead Trout access to 3.9 miles of spawning habitat. Seven bids were received for the Mission Creek Fish Passage Phase 2 Project (Project). The apparent low bidder, Shaw Contracting, Inc., (Shaw) had errors on the bid sheet and has formally withdrawn its bid. Staff recommends that Council authorize the Public Works Director to accept the second low bid, and enter into a contract with Schock Contracting Corporation (Schock) for construction of the Project. Staff recommends that Council authorize the Public Works Director to enter into contracts with HDR Engineering, Inc., (HDR) for engineering services, and BTC Labs – Vertical Five (BTC) for materials testing during construction. Staff also recommends that Council accept grant funds for construction of the Project.

## **DISCUSSION:**

### **PROJECT DESCRIPTION**

Impassable barriers in coastal creeks and rivers have had a major adverse impact on Southern California Steelhead Trout (Steelhead Trout) populations. Removal of these migration barriers is a key action that is central to the recovery and survival of this federally endangered species.

Mission Creek provides the best opportunity for Steelhead Trout restoration in Santa Barbara. Mission Creek contains high quality spawning and rearing habitat within the stream channels in the mid and upper watershed. Currently, Rainbow Trout (freshwater version of Steelhead Trout) live in the upper stream channel. Historically, Mission Creek has supported a healthy Steelhead Trout population. Over the last ten years, there have been frequent sightings of Steelhead Trout attempting to migrate upstream without success, due to barriers within the stream channel.

Steelhead Trout migration in Mission Creek is severely limited by two concrete-lined flood control channels. The upstream channel is approximately 0.3 miles long, extending between Los Olivos and Pedregosa Streets, and the downstream channel is approximately 0.8 miles long, extending between Arrellaga and Canon Perdido Streets.

The upstream and downstream channels are separated by a 0.4 mile long natural section extending between Pedregosa and Arrellaga Streets.

The flood control channels were constructed in 1934 and 1961, respectively, by the California Department of Transportation (Caltrans) to improve flood control and to construct Highway 101. The channels prevent fish from migrating upstream because the flow rates and flow depths within the concrete channels are too fast and/or too shallow for fish to swim upstream and provide no resting areas for the fish.

Phase 1 of the Project included modifying the upstream channel in order to create suitable conditions for migration of Steelhead Trout. Phase 1 was completed in July 2012. Phase 2 of the Project will modify the downstream concrete flood control channel and is scheduled for construction during the summer of 2013. The Phase 2 construction will consist of establishing maintenance access, demolishing part of the lined flood channel, and constructing a concrete low-flow fish passage channel.

Completion of both Phase 1 and Phase 2 of the Project, coupled with the recent restoration and fish passage project at Tallant Road, will allow Steelhead Trout to access the 3.9 miles of spawning habitat that has been blocked for over fifty years.

#### CONTRACT BIDS

A total of seven bids were received for the subject work, ranging as follows:

	<b>BIDDER</b>	<b>BID AMOUNT</b>
1.	Shaw Contracting, Inc. Carpinteria, CA	\$2,248,290 (withdrawn)
2.	Schock Contracting Corporation Santa Barbara, CA	\$2,824,000
3.	Lash Construction, Inc Santa Barbara, CA	\$2,855,575
4.	Specialty Construction San Luis Obispo, CA	\$2,939,967
5.	Whitaker Construction Group Paso Robles, CA	\$3,083,864
6.	Granite Construction Santa Barbara, CA	\$3,180,898*
7.	Brough Construction	\$3,379,938*

Arroyo Grande, CA

\*Corrected bid total

The low bid of \$2,248,290, submitted by Shaw, contained mathematical errors. Shaw has formally withdrawn their bid.

The second lowest bid of \$2,824,000, submitted by Schock, is an acceptable bid that is responsive to, and meets the requirements of the bid specifications. Staff recommends that Council authorize the Public Works Director to execute a contract with Schock for construction of the Project.

The change order funding recommendation of \$282,400, or 10 percent, is typical for this type of work and size of project.

#### CONSTRUCTION PHASE CONTRACT SERVICES

Staff recommends that Council authorize the Public Works Director to execute a contract with HDR in the amount of \$59,750 for design support during construction and with BTC in the amount of \$44,834 for materials testing support during construction. HDR was the design consultant for the Project, and both firms provided support for Phase I and are experienced in this type of work.

#### COMMUNITY OUTREACH

Public Works staff will coordinate with the contractor to perform the standard public notification for the Project. Creeks Division staff will also send out letters to the neighborhood surrounding the Project site prior to construction. The letters will provide information about the Project, including Project purpose, timing and other associated information.

#### **BUDGET/FINANCIAL INFORMATION:**

The Creeks Division received several grants for the Phase 2 construction. A grant from the California Department of Fish and Wildlife for \$1,735,000 was accepted and appropriated by Council on April 10, 2012. Three additional grants have been awarded to the City: one from the California Wildlife Conservation Board for \$775,000, a second from the State Coastal Conservancy for \$300,000 and a third from the PARC Foundation (from the Santa Barbara Foundation) for \$75,000. Should Council accept this grant funding for construction, the total grant funds available for Phase 2 project construction will be \$2,885,000. Currently, \$496,583 is available in the Creeks Division Capital Fund for construction of the Mission Creek Fish Passage Phase 2 Project. With the transfer of \$78,859 from the Creeks Operating Fund reserves, there will be sufficient funds in the Creeks Capital Fund to cover the cost of this Project.

**CONSTRUCTION CONTRACT FUNDING SUMMARY**

Funding Source	Funding Amounts
Department of Fish and Wildlife	\$1,735,000
Wildlife Conservation Board	\$775,000
State Coastal Conservancy	\$300,000
PARC Foundation (from the Santa Barbara Foundation)	\$75,000
Creeks Capital Funds ( Mission Creek Fish Passage)	\$496,583
Creeks Reserve Fund	\$78,859
<b>TOTAL RECOMMENDED AUTHORIZATION</b>	<b>\$3,460,442</b>

**ESTIMATED TOTAL PROJECT COST**

*\*Cents have been rounded to the nearest dollar in this table.*

Construction Contract	\$2,824,000
Construction Change Order Allowance	\$282,400
Construction Support/Inspection (by Contract)	\$65,725
<b>Subtotal</b>	<b>\$3,172,125</b>
Other Construction Costs (testing, etc.)	\$49,317
Construction Management/Inspection (by City Staff)	\$239,000
<b>Subtotal</b>	<b>\$288,317</b>
<b>TOTAL PROJECT COST</b>	<b>\$3,460,442</b>

**SUSTAINABILITY IMPACT:**

The purpose of the Project is to improve Steelhead Trout migration in Mission Creek during and shortly after rain events when adequate natural stream flows exist. These efforts will contribute to local, regional, and federal objectives of removing migration barriers for the federally endangered Steelhead Trout.

**PREPARED BY:** John Ewasiuk, Principal Civil Engineer/TG/mj  
 Cameron Benson, Creeks Restoration/Clean Water Manager

**SUBMITTED BY:** Christine F. Andersen, Public Works Director  
 Nancy L. Rapp, Parks and Recreation Director

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** Water Resources Division, Public Works Department

**SUBJECT:** Authorization To Apply For A State Revolving Fund Loan For Wastewater Capital Projects Of Approximately \$20 Million

**RECOMMENDATION:** That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the City Administrator to Execute and Deliver an Application to the State Water Resources Control Board for a Clean Water State Revolving Fund Financing Agreement; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Stating the City's Intent to Reimburse Expenditures Paid Prior to Either the Issuance of Obligations or the Approval by the State Water Resources Control Board of the Project Funds for the Secondary Treatment Process Improvements Project at the El Estero Wastewater Treatment Plant.

**DISCUSSION:**

The El Estero Wastewater Treatment Plant (El Estero) has been in service for over 32 years. Recent consultant engineering assessment and preliminary design work has demonstrated that significant process improvements must be made to upgrade the level of secondary treatment provided at El Estero. These improvements are needed in order to produce treated wastewater that can be effectively filtered for recycled water production and to reliably meet wastewater discharge permit limits. In prior years, El Estero has incurred stipulated penalties from the State Water Resources Control Board (SWRCB) related to treated effluent quality.

Staff is currently in the preliminary design phase for a large secondary treatment process improvement project at El Estero. The first portion of the preliminary design phase provides for refurbishment of the major air process equipment associated with the secondary treatment process aeration basins. The second portion of the preliminary design phase provides for an upgrade of the secondary clarifiers, including improvements to return activated sludge pumping equipment and piping. The preliminary design phase work will be completed by 2013.

Council Agenda Report

Authorization To Apply For A State Revolving Fund Loan For Wastewater Capital Projects

March 5, 2013

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Final design phase work is anticipated to be completed by mid-2014 with construction work beginning later that year. Construction work is estimated to be completed by mid-year in 2016. A preliminary cost estimate for these secondary treatment improvement projects approximates \$20 million.

The State Revolving Fund (SRF) loan program provides 20-year loans at an interest rate lower than the State General Obligation Bond rate. This low interest rate offers significant savings for wastewater rate payers. Staff members at the SWRCB Board who administer SRF loans have advised City staff that there may be an opportunity to qualify for SRF funding for the secondary treatment improvements at El Estero.

If SRF funding is not able to be secured this year, staff will need to pursue issuance of debt in the form of a Certificate of Participation.

In order to initiate the application process, and to allow for reimbursement of project expenses incurred prior to loan approval, Council is being asked to approve the following two Resolutions:

- Designation of the City Administrator or his designee as the authorized representative to apply for the loan; and
- Authorization to reimburse the City from SRF project funds for expenditures made for the projects prior to receiving SRF monies.

At its meeting of February 11, 2013, the Board of Water Commissioners voted 5 to 0 to concur with staff's recommendations as stated above.

**PREPARED BY:** Chris Toth, Wastewater System Manager/CJT/avb

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE AND DELIVER AN APPLICATION TO THE STATE WATER RESOURCES CONTROL BOARD FOR A CLEAN WATER STATE REVOLVING FUND FINANCING AGREEMENT

WHEREAS, the City of Santa Barbara (the "City") desires to finance the planning, design, and construction costs for the Secondary Treatment Process Improvements Project at the El Estero Wastewater Treatment Plant ("Project");

WHEREAS, the City intends to finance the Project with monies (Project Funds) provided to the City through a Clean Water State Revolving Fund financing agreement from the State of California, acting by and through the State Water Resources Control Board ("Clean Water Financing Agreement"); and

WHEREAS, In order to submit the application to the State for processing, the City Council authorizes the City Administrator to sign and file the application and to take any and all actions necessary to obtain said Clean Water Financing Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City Administrator, or his designee, is hereby authorized and directed to sign and file, for and on behalf of the City of Santa Barbara, a Financial Assistance Application for a State Revolving Fund Clean Water Financing Agreement from the State Water Resources Control Board for the planning, design, and construction of the Secondary Treatment Process Improvements Project at the El Estero Wastewater Treatment Plant.

SECTION 2. The City of Santa Barbara hereby agrees and further does authorize the City Administrator, or his designee, to certify that the City has and will comply with all applicable state and federal statutory and regulatory requirements related to any financing or financial assistance received from the State Water Resources Control Boards.

SECTION 3. The City Administrator, or his designee, of the City of Santa Barbara is hereby authorized to negotiate and execute a financial assistance agreement from the State Water Resources Control Board and any amendments or change orders thereto and certify financing agreement disbursements on behalf of the City.

SECTION 4. All the recitals in this Resolution are true and correct and the City so finds, determines and represents.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA STATING THE CITY'S INTENT TO REIMBURSE EXPENDITURES PAID PRIOR TO EITHER THE ISSUANCE OF OBLIGATIONS OR THE APPROVAL BY THE STATE WATER RESOURCES CONTROL BOARD OF THE PROJECT FUNDS FOR THE SECONDARY TREATMENT PROCESS IMPROVEMENTS PROJECT AT THE EL ESTERO WASTEWATER TREATMENT PLANT

WHEREAS, the City of Santa Barbara ("City") desires to finance the cost of planning, designing, and constructing certain public facilities and improvements relating to the Secondary Treatment Process Improvements Project at the El Estero Wastewater Treatment Plant ("Project");

WHEREAS, the City intends to finance the Project with monies (Project Funds) provided to the City by the State of California, acting by and through the State Water Resources Control Board ("State Water Board");

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations, the interest upon which is excluded from gross income for federal income tax purposes ("Obligations");

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Boards of the Project Funds, the City desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available monies of the City; and

WHEREAS, the City has determined that those monies to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period, and it is necessary to reimburse the City for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA AS FOLLOWS:

SECTION 1. The City hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$20,000,000.

SECTION 3. This Resolution is being adopted no later than 60 days after the date on which the City will expend monies for the portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each City expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of the City's knowledge, the City is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This Resolution is adopted as official intent of the City in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and the City so finds, determines and represents.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** Planning Division, Community Development

**SUBJECT:** Municipal Code Amendments For Implementation Of The Nonresidential Growth Management Program

**RECOMMENDATION:** That Council:

- A. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara adding Chapter 28.85 to the Santa Barbara Municipal Code, deleting Sections 28.87.300 and 28.87.350, and amending Sections 28.95.010 through 28.95.070 to implement the City's 2011 General Plan Nonresidential Growth Management Program; and
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara adopting Amended Administrative Procedures for the implementation of the General Plan Growth Management Program and the adoption of the City Traffic Management Strategy and rescinding Resolution No. 12-075.

**EXECUTIVE SUMMARY:**

A key Phase I implementation action of the City's new General Plan is to revise the existing nonresidential growth management ordinance (SBMC Section 28.87.300) in order to carry forward the recently adopted policies and Council's General Plan direction. This zoning ordinance amendment will manage the distribution and approval process for the 1.35 million square feet under the General Plan Policy LG2, Limit Nonresidential Growth and LG5, Community Benefit Nonresidential Land Uses.

The prior City Charter growth management regulations ("Measure E" – Charter Section 1508) were implemented by Municipal Code Section 28.87.300, the Development Plan Ordinance (DPO) and Resolution No. 12-075. The existing DPO contains many key provisions, including definitions, allocation categories such as Community Priorities, Small Addition, etc., and standards and findings for processing nonresidential projects in the City. This program has served the City well in managing nonresidential development since 1990.

Many of the operational details of the Development Plan Ordinance remain the same; however, key changes include the following:

1. The required Development Plan would be dependent on the size of the project being reviewed, not on the cumulative allocations on the real property over time.
2. A new City Traffic Management Strategy would serve as the basis for the Development Plan traffic findings under CEQA, with cumulative traffic impacts no longer precluding project approval as was the case with Measure E.
3. Traffic Development Areas would be established with certain allocation categories not allowed in Outlying Development Areas (e.g., Small Additions and Economic Development).
4. Transfers of existing development rights would be limited to only their own traffic Development Area or to the Downtown.
5. Individual parcels of real property could process a onetime, 1,000 square foot Transfer of Existing Development Rights from another site within the same area without a Development Plan.

## **DISCUSSION:**

### **Background:**

On May 17, 2012, the Planning Commission initiated amendments to the Growth Management Program (GMP). Subsequently, two meetings were held with the Planning Commission on the approach to the Traffic Management Strategy component. Meetings were also held with two focus groups comprised of stakeholder knowledgeable about the development process. On December 6, 2012, the Planning Commission unanimously recommended forwarding the proposed GMP ordinance with staff edits to the Council Ordinance Committee (Attachment 1, Planning Commission Minutes).

On January 15 and January 29, 2013, the Ordinance Committee considered the Growth Management Program and voted 2 to 1 (House, Rowse/Hotchkiss) to forward the ordinance and the companion Traffic Management Strategy resolution to Council for introduction. Much of the Ordinance Committee discussion focused on the proposed Traffic Management Strategy's preclusion of Economic Development allocations in the Outlying Development Areas, particularly Upper State Street, and the inability to make overriding considerations for projects allocated square footage from the Economic Development or Small Addition categories Downtown in the case of a significant project specific traffic impact absent the adoption of a City ordinance making such overriding considerations. Council member Hotchkiss supported the program overall but thought there should be more flexibility for Economic Development.

### **Key Ordinance Provisions:**

The following are key components included in the new GMP ordinance and TMS resolution that make up the proposed nonresidential GMP for new applications that propose nonresidential additions.

### **General Plan Allocation Categories**

General Plan Policy LG2 establishes the new nonresidential square footage allowance for the next 20 years as 1.35 million square feet and specifies how the allowance will be allocated by specific categories of development. The 1.35 million net new square feet is to be allocated to Small Additions, Vacant Property and Community Benefit categories as follows:

1. **Small Additions (400,000 s.f.)** – Small Additions are limited to 20,000 square feet annually with the potential for unallocated Small Addition square footage to roll over, increasing the amount of square footage that could be allocated in the following year. A project can be allocated up to 2,000 square feet per legal lot or parcel from the Small Additions category for a cumulative total of 3,000 square feet if combined with a 1,000 square foot Minor Addition. This is a cumulative total on a lot as of December 6, 1989, the “effective date” of Charter Section 1508..

Currently, unused or expired Small Additions square footage rolls over each year into the Economic Development category. In May 2012, the Planning Commission recommended that the Planning Commission decide annually whether unused, expired or withdrawn Small Addition square footage would roll over to either the Small Additions or the Community Benefit categories.

2. **Vacant (350,000 s.f.)** – In 1990, 500,000 square feet was allocated under (Charter Section 1508 Measure E) for vacant properties. The amount was based on a vacant land survey conducted in the City in 1988 that identified approximately 32 acres of vacant land and an additional 100,000 square feet within the Airport Specific Plan area. Vacant Property square footage allocations will continue to be available to those lots that were vacant as of October 1988, at a rate of up to .25 Floor Area Ratio (FAR) of the lot area.

Under the current DPO of Title 28, approximately 357,620 square feet remains unallocated from the 1990 Vacant category. Staff expects the 350,000 allocation under General Plan Policy LG2 and incorporated into the new ordinance to be sufficient to accommodate anticipated new development on vacant properties within the City over the next 20 years.

3. **Community Benefit (600,000 s.f.)** – “Community Benefit” projects may be designated by Council as either a Community Priority or an Economic Development project. A Community Priority project is one that meets a present or projected need

directly related to public health, safety or general welfare. Under Measure E, a total of 300,000 square feet was provided in this category. Approximately 228,810 square feet was allocated to projects from 1990 to the present.

With the 2011 General Plan update, Community Benefit category was revised to include other community benefit types of nonresidential projects (e.g. Economic Development projects) and was allocated a total of 600,000 square feet. These categories are further defined in proposed new SBMC §28.85.020 with the designation process specified in the proposed Council Resolution.

In May, the Planning Commission recommended that the City Council designation and allocation from the Community Benefit category occur only once at the beginning of a project permit process, rather than continuing the current procedure with a preliminary allocation for the initial application and a final allocation at permit approval. Thus, there would be only one review at Council to determine whether the project can be designated as a Community Benefit Project and allocated floor area from that category, after which the project could proceed through the standard City planning review process required for all of the applications.

#### **Excluded Square Footage:**

A “Nonresidential Construction Project” is defined in the proposed GMP as one that adds new floor area and excludes repair or replacement of existing floor area. With the adoption of the 2011 General Plan update, some additional categories of Nonresidential Construction Projects (Prior-Pending, Prior-Approved, and Government Buildings, for example) were approved for exclusion. While these excluded categories do not require an allocation of square footage from the 1.35 million, some are subject to the Development Plan review process outlined in the attached ordinance.

Consistent with General Plan Policy LG2, the attached ordinance excludes the following development from the 1.35 million square feet allocated for Nonresidential Construction Projects. For an explanation of these categories, please refer to Attachment 2, Planning Commission Staff Report dated December 6, 2012.

1. Demolished Floor Area
2. Minor Additions
3. Hotel Room for Room Replacement
4. Government Displacement
5. Prior-Pending and Prior-Approved Projects
6. Government Buildings
7. Annexations with Existing Development

### **Development Plan Process:**

The square footage allocations allowed from the categories of Minor Additions, Small Additions and Vacant Property will continue as cumulative totals on a parcel of real property since December 6, 1989. Under the current DPO, a Development Plan is based on the cumulative total square footage that has been allocated to a lot since 1989. Once a property has received 1,000 net new square feet, any additional square footage requires a Development Plan. This has resulted in Development Plans being required for very small amounts where past Minor or Small Additions have occurred on that real property.

Under the proposed ordinance amendments, a new nonresidential construction project of 1,000 square feet or more will continue to require a Development Plan; however, this requirement will be based on the size of the project being reviewed and not based on a cumulative total built on the real property since 1989. For example, if a project is allocated 900 square feet of Minor Additions for the first time on a lot in 2013, no Development Plan is required. If another project of 900 square feet of nonresidential floor area is proposed on the same property in 2018, even though the second project would constitute a Small Addition of 800 square feet, the second project would also not require Development Plan approval because the proposed project is less than 1,000 square feet of floor area.

Attachment 2, Exhibit E (of the attached Planning Commission Staff Report of December 6, 2012) outlines the review process for nonresidential construction projects. Any project, irrespective of size, that requires an EIR will be subject to review and findings by the Planning Commission. These requirements are included in the attached draft proposed ordinance as part of SBMC 28.85.030, "Development Plan Review Procedures" and are similar to current processing of projects.

### **City Traffic Management Strategy:**

The 2011 General Plan FEIR found that the addition of up to 1.35 million square feet of nonresidential growth along with residential growth could cumulatively result in significant traffic impacts at identified intersections by the end of the 20 year allocation period. The City Council deemed this level of potential traffic impact to be acceptable in light of the Plan's overall benefits. New projects will contribute to cumulative traffic impacts; therefore, the current traffic finding required for Development Plans under Measure E is proposed to be replaced. This finding is:

*"The proposed development will not have a significant unmitigated adverse impact on the City's Traffic; and resources will be available and traffic improvements will be in place at the time of [k1] project's occupancy."*

A new City Traffic Management Strategy (as approved by the attached Council resolution) is proposed to manage and track traffic associated with future growth. The

FEIR used a Traffic Model software methodology specifically developed for the City to estimate future traffic impacts and congestion. Based upon actual traffic behavior within the City, the Traffic Model identified different traffic generation rates based on the location within the City (i.e., Downtown vs. outlying areas). The Model determined that the effectiveness of the traffic mitigation measures in the General Plan FEIR varied based on location. These findings substantially inform the policies and procedures adopted in the proposed City Traffic Management Strategy. See Exhibit B of the attached Resolution for the proposed City Traffic Management Strategy.

The primary goals of the Traffic Management Strategy are to utilize existing transportation capacity efficiently and to reserve constrained transportation capacity for high priority land uses. All new nonresidential projects will be subject to the Council approved Traffic Management Strategy that will specify the types and locations of nonresidential development that may be approved and also which development can be considered for overriding findings for project specific impacts absent a City ordinance determining otherwise. Given the limited amount of development potential allowed under the GMP, an important component of the program is the ability to override project specific traffic impacts for those projects which the Planning Commission determines meet other objectives of the General Plan and are beneficial to the community.

#### **Transfer of Existing Development Rights:**

Currently, the City's Transfer of Existing Development Rights (TEDR) ordinance, SBMC Chapter 28.95, regulates the transfer of existing floor area. Existing development rights are defined as existing floor area, approved floor area, demolished floor area, or converted floor area. Floor area can currently be transferred from a sending site to a receiving site with no limits on where existing development rights could be transferred by obtaining a Development Plan approval for both sites by the Planning Commission.

While a comprehensive revision of the TEDR Ordinance is not a part of this work effort, some revisions are necessary to ensure consistency with the GMP definitions and goals, to streamline small transfers within the same Development Area, and to regulate transfers amongst the Development Areas in a manner consistent with the General Plan Policy of living within our resources.

These amendments to the TEDR process are intended to promote the new General Plan Policy of focusing the majority of future land development within the Downtown Area while leaving flexibility to transfer existing development rights within the same development area of the City. This is consistent with the policy of focusing future development in the Downtown Development Area which, according to the City Traffic Model, generates the least amount of additional traffic and can best accommodate anticipated traffic growth which may be shifted from one site to another as part of future development.

The Proposed TEDR Ordinance Amendments include the following:

1. Allow transfer between a Sending Site and a receiving Site that are within the same Development Area anywhere in the City.
2. Allow transfer from a Sending Site within any of the Outlying Development Areas to a receiving site in the Downtown Development Area.
3. Do not allow transfer from a Sending Site in the Downtown Development Area to a Receiving Site in the Outlying Development Areas or the Airport Development Area.
4. Do not allow transfer from a Sending Site in any Outlying Development Areas to a Receiving site in a different Outlying Development Area or the Airport Development Area.
5. Do not allow transfer from a Sending Site in the Airport Development Area to a Receiving Site any other Development Area of the City.

#### **Transfers of First 1,000 Square Feet or Less:**

Currently, any proposed TEDR, requires a Development Plan to be approved by the Planning Commission. To streamline TEDRs involving 1,000 square feet or less of demolished square footage in the same Development Area, a Development Plan would not be required by the proposed new ordinance. This would allow some businesses to make small improvements if they have exhausted their Minor or Small Additions in the past 20 years without having to request an Economic Development allocation from the City Council.

This amendment of the existing Development Plan ordinance would also establish a similar process to Minor Additions of 1,000 square feet or less that do not need a Development Plan as previously noted. Any one time transfer up to 1,000 square feet to a Receiving Site would not need a Development Plan and could be processed at the Staff or design review level for the exterior changes if no other land use permit is required from the Staff Hearing Officer or Planning Commission. Administrative procedures for tracking and recording the appropriate legal instruments to keep track of such transfers would need to be developed.

#### **Development Plan Findings (Standards for Review):**

The Planning Commission recommends amendments to the current Development Plan findings of SBMC Section 28.87.300 such that findings related to housing and water would no longer be necessary on a project specific case-by-case review level. The recently adopted General Plan update and associated programmatic FEIR provide a substantial resource baseline and policy basis for future growth and development over

the next 20 years. Possible resource impacts will now be tracked and policies and programs will be adjusted as necessary through the Adaptive Management Program as approved from time to time by the Council.

The following ordinance findings are recommended as those required to be made by the decision-making body when a Development Plan is approved.

1. The proposed development complies with all provisions of the Zoning Ordinance.
2. The proposed development is consistent with the principles of sound community planning.
3. The proposed development will not have a significant adverse impact upon the neighborhood's aesthetics/character in that the size, bulk or scale of the development will be compatible with the neighborhood based on the Project Compatibility Analysis found in SBMC §22.22.145 and §22.68.045.
4. The proposed development is consistent with the policies of the City of Santa Barbara Traffic Management Strategy as approved by a resolution of the City Council on March 12, 2013 and as expressed in the allocation allowance specified in SBMC Section 28.85.050.

**Public Comment To Date:**

A main provision of the Traffic Management Strategy is to preclude allocation of Small Additions and Economic Development square footage in the Outlying Development Areas, including the Upper State Street area.

Letters were received by the Planning Commission and the Ordinance Committee regarding this provision (Attachments 3 and 4). Ralph Horowitz, the Horowitz Group, who owns the property at 350 Hitchcock Way (Lexus Dealership) requested an amendment to the proposed ordinance such that Economic Development square footage would be allowed in the P-D zone for an auto dealership or an alternative use which the City Council may find to be desirable. He also requested that the City have the ability to make findings of overriding consideration for any project specific traffic impacts generated by such an Economic Development allocation without the need for adopting a new City ordinance making such findings and explaining the overriding considerations.

The Traffic Management Strategy as proposed does not allow for an Economic Development allocation in the Outlying Areas such as Upper State Street. The current DPO does not allow Planning Commission overriding considerations for either cumulative or project specific traffic impacts for projects allocated from Economic Development. However, given that the City is supportive of auto dealership uses that generate low traffic counts, the Planning Commission supported adding an allocation

category for new automobile dealerships under Community Benefit, and specifically for the Planned Development zone including properties on Hitchcock Way and Hope Avenue.

Two members of the Ordinance Committee supported the Planning Commission's recommendation to allow Community Benefit, Planned Development square footage for auto dealership projects in the P-D (Planned Development) zone. They agreed that it was appropriate to preclude Economic Development allocations for other uses on this particular site because that would be inconsistent with the overall approach for the new Traffic Management Program and what is proposed in the new Outlying Development areas throughout the City.

The Ordinance Committee also recognized that in addition to auto dealerships, this particular real property could develop housing or acquire Existing Development Rights square footage for another use allowed by the zone, as allowed by the proposed new City Traffic Management Strategy. Thus, there is a strong potential for commercial development on this site under the existing and proposed GMP as long as the development does not result in significant project specific adverse traffic impacts which only the Council could override.

Since meeting with the Ordinance Committee, Staff has met with the applicant about the need to clarify in the ordinance that square footage allocated by Council for a Planned Development – New Automobile Sales Project in the PD Zone could qualify for overriding considerations by the Council if the project results in either a cumulative or project specific traffic impact. Revisions consistent with this have been incorporated into the new City Traffic Management Strategy component of the ordinance and Council Resolution.

Councilmember Hotchkiss did not support precluding other Economic Development uses for this particular property and would like to provide flexibility for this property owner to develop with an Economic Development project and allow the Planning Commission to decide if such a project would merit overriding environmental considerations for any significant adverse project specific traffic impacts.

The second letter received was from the Santa Barbara Growth Management Program Stakeholders Group; it requests that Small Additions and Economic Development projects be added to the list of development categories in the Outlying Areas. They also requested that overriding considerations be allowed for significant project specific traffic impacts for Economic Development projects and TEDR projects proposed Downtown without the need for a City Council ordinance specifically making such overriding considerations.

The Planning Commission and the Ordinance Committee did not recommend these changes due to traffic congestion concerns in the Outlying Areas and the potential that these amendments might undermine the effectiveness of the overall City Traffic

Management Strategy. In addition, they understood that as part of the City's future Adaptive Management Plan review for future development trends, the Planning Commission and City Council would have the ability to adjust the City's Traffic Management Strategy and amend the implementing zoning ordinances as necessary in order to do so.

#### **ENVIRONMENTAL REVIEW:**

The General Plan Final Program Environmental Impact Report (FEIR) certified in September 2010 and December 2011 assessed Citywide impacts associated with 2,178,202 square feet of nonresidential development. The FEIR identified that vehicle trips associated with new development would increase the number of intersections exceeding the City's level of service standard from 13 to up to 20 to 26 intersections while the growth level provided under General Plan policies (and feasible mitigation measures) would only partially offset such impacts. In approving the General Plan FEIR, the City Council adopted findings of overriding consideration for this potentially significant adverse cumulative traffic impact and also adopted General Plan Circulation Element policies directing that traffic impacts should be minimized as feasible.

The FEIR traffic model analysis completed for the General Plan found that the Downtown Area is distinguished from all Outlying Development Areas within the City because land developed within the Downtown will generate the least amount of vehicle traffic due to the mix of land uses/trip destinations and substantial travel via walking, biking, and transit. Additionally, transportation implementation actions recommended in the Circulation Element will predominantly be effective in the Downtown development area. By helping to direct future incremental growth toward areas that would generate less traffic, the proposed Traffic Management Strategy component of the implementing ordinance amendments reflects the General Plan policies for growth limitation in a manner which transportation Planning Staff believes will minimize traffic impacts and conserve the City's remaining roadway capacity.

The attached zoning ordinance amendments implementing the General Plan growth limitation policies constitute a Citywide program. The policies and standards for the City's projected growth have been previously analyzed for environmental impacts in the Final EIR and in the Addenda for the General Plan and Climate Action Plan. Specifically, the environmental and traffic impacts associated with implementing General Plan Policy LG2 and the growth limitation policy for up to 1.35 million net new square feet was included in the analysis of the General Plan FEIR and Addenda. Potential future development under these zoning ordinance amendments is within the growth projections and traffic distribution assumptions for that impact analysis.

The proposed implementing ordinance amendments do not trigger the additional environmental review requirements, as follows: There are no additional site-specific or project-specific significant effects which are peculiar to the proposed zoning amendments; there are no new significant effects not addressed in the prior Program

EIR; and there is no new information since the FEIR that would involve more significant impacts than identified in the FEIR. Environmental review for the proposed implementing ordinance amendments is addressed by the General Plan Program EIR and Addenda, and no further environmental review is required.

**ATTACHMENTS:**

1. Planning Commission Minutes from May 17, June 21, September 6 and December 6 of 2012.
2. Planning Commission Staff Report of December 6, 2012 with Exhibits C – E.
3. Letter from Santa Barbara Growth Management Program Stakeholders Group, December 5, 2012 and January 14, 2013.
4. Letters from Ralph Horowitz, December 3, 2012 and January 25, 2013.

**PREPARED BY:** Beatriz E. Gularte, Project Planner

**SUBMITTED BY:** Paul Casey, Assistant City Administrator/Community Development Director

**APPROVED BY:** City Administrator's Office

**City's Nonresidential Growth Management  
Planning Commission Minutes  
Meetings 2012**

May 17, 2012

**I. NEW ITEM:**

**ACTUAL TIME: 1:51 P.M.**

**HEARING TO INITIATE ZONING AMENDMENTS RELATED TO A NON-RESIDENTIAL GROWTH MANAGEMENT PROGRAM AND A REVIEW PROCESS FOR NEW BUILDINGS TALLER THAN 45 FEET**

The purpose of the meeting is to initiate amendments to the City's Zoning Ordinance including the Development Plan Ordinance (DPO), SBMC §28.87.300 and Council Resolution No. 09-058 to carry out recently adopted General Plan Policy LG2, Limit Non-Residential Growth and LG7, Community Benefit Non-Residential Land Uses. Amendments are also proposed to the definitions section of the Transfer of Existing Development Rights (TEDR) Ordinance Chapter 28.95 and the building height sections in the C-2, C-M, M-1 and OM-1 zones that allow 60 feet in height (SBMC §28.66.050, §28.69.050, and §28.72.050). Staff is requesting Planning Commission input and discussion into key ordinance provisions for preparation of the amendments.

Case Planner: Bea Gularte, Project Planner

Email: BGularte@SantaBarbaraCA.gov

Phone: 805-564-5470, ext. 4558

Bea Gularte, Project Planner, gave the Staff presentation.

Chair Lodge opened the public hearing at 2:16 P.M.

Kellam DeForest thought the Community Benefit definitions were too broad. Also believed that new buildings taller than 45' would impact the whole city, neighborhood compatibility, and aesthetics. Mr. DeForest suggested that any building taller than 45' be reviewed by City Council. Mr. DeForest later added that neighbors are not currently noticed for Council designations on Community Benefit.

With no one else wishing to speak, the public hearing was closed at 2:19 P.M.

Planning Commissioner's Comments:

**Small Additions:**

1. Commissioners Bartlett, Jordan, Thompson suggested leaving the small addition allocation distribution at 2,000/per parcel.
2. Commissioners Thompson, Campanella and Bartlett suggested rolling over any unused allocation in the small addition category so that we have flexible allocation for any future boom.

**Straw Vote:**

Staff to work out concept annually that the unused balance of the small addition allocation rolls over into Community Benefit or is kept in Small Addition, to be determined when annual report is presented to Planning Commission.

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2 (Larson, Schwartz)

### **Community Benefit Process:**

1. Commissioner Thompson liked option 3, but could support 2.
2. Commissioner's Bartlett and Lodge liked option 2.
3. Commissioner Jordan liked either option 2 or 3.
4. Commissioner Lodge likes option 3.

### **Straw Vote:**

Preference for option 2: Allocation in the beginning of the process for the allocation of Community Benefit at Council. No Planning Commission Recommendation on allocation.

Ayes: 3 (Bartlett, Lodge, Thompson) Noes: 0 Abstain: 0 Absent: 2 (Larson, Schwartz)

Staff likes option 2, but appreciated the feedback on options 2 and 3. After discussion, the Commission took another straw vote on option 2.

### **Straw Vote:**

Preference for option 2

Ayes: 5 Noes: 0 Abstain: 0 Absent: 2 (Larson, Schwartz)

### **Community Benefits Projects – Definition.**

Ms. Weiss sought input on the definition presented.

1. Commissioners Lodge and Jordan wanted clarification on what constitutes Green Economic Development.
2. Scott Vincent, Assistant City Attorney, recommended thinking of structures and systems that do not lend themselves to any other use than what is being placed in the area of Green Economic Development.

### **Development Plan Findings (Standards for Review)**

1. Commissioner Lodge inquired about the Transfer of Economic Development Rights (TEDR) and how it relates to the Development Plan Ordinance.
2. Commissioner Jordan will want to look at alternatives for overriding considerations when Staff returns to the Commission in June.
3. Commissioner Jordan also suggested that the sound community planning finding should also reference concerns of inconsistency with policies and programs that might not be consistent with the project.
4. The majority of the Commission supported Staff recommendations for the elimination of the water and housing findings currently required for a Development Plan.

### **Floor Area Definition:**

The Commission was unanimous in support to allow building infrastructure to be excluded from the definition of floor area in the Development Plan Ordinance.

### **Community Benefits Projects that exceed 45' Height**

1. Commissioner Lodge suggested that residential projects should come to the Planning Commission early in the process.
2. Scott Vincent, Assistant City Attorney, suggested that the Commission consider how much information they would need to make an informed decision on whether the proposed height of the building is acceptable or not.
3. Commissioners Thompson and Lodge agreed that the Commission review the project early enough at a concept level and give consideration to the project's use and reason for needing to be above 45' or greater; and neighborhood compatibility.
4. Projects would remain under same purview.

**June 21, 2012**

## **II. DISCUSSION ITEM**

**ACTUAL TIME: 3:18 P.M.**

### **TRAFFIC ANALYSIS AND FINDINGS RELATED TO THE CITY'S GROWTH MANAGEMENT PROGRAM Continued from May 17, 2012.**

The purpose of this hearing is for the Planning Commission to discuss and provide input on the traffic analysis component and findings of the City's Growth Management Program.

On May 17, 2012 the Planning Commission initiated amendments to the City's Zoning Ordinance including the Development Plan Ordinance (DPO), SBMC §28.87.300 and Council Resolution No. 09-058 to carry out recently adopted General Plan Policy LG2, Limit Non-Residential Growth and LG7, Community Benefit Non-Residential Land Uses.

Case Planner: Rob Dayton, Principal Transportation Planner

Email: RDayton@SantaBarbaraCA.gov

Phone: 805-564-5390

Rob Dayton, Principal Transportation Planner, gave the Staff presentation, joined by Bettie Weiss, City Planner.

Chair Lodge opened the public hearing at 4:33 P.M.

Scott Schell, Zone 4 resident, is concerned that current thresholds will limit redevelopment of Upper State Street and limit development to what is on the ground today. Believes there should be some flexibility.

With no one else wishing to speak, the public hearing was closed at 4:36 P.M.

Commissioner's comments:

1. Many Commissioners liked the direction that the traffic analysis component was taking.
2. Commissioner Schwartz felt that we are not investing in the types of transportation methods that will allow us to bring in more housing.
3. Commissioner Jordan feels that Staff will have a challenge conveying what Staff is proposing and encourages Staff to meet with the Commission again to work through some of what is not explained in the report.
4. Commissioner Campanella felt that in order for people to afford housing, house prices have to come down and incomes have to go up. Would like to see Staff determine what kind of non-residential development we want to encourage and identify jobs that will provide higher incomes.
5. Commissioner Bartlett is glad to see that Staff is doing away with the automatic 'no' on traffic cumulative impacts. Would like to see a structure that incentivizes the goals, rather than focusing on what cannot be done.
6. Commissioner Schwartz wants to see a balance in doing what we can in the area of housing, while looking at pockets of economic development. Would like Staff to develop an economic development plan that actively attracts and retains the right type of commercial development along with a total transportation system so that traffic congestion can be reduced.
7. Commissioner Lodge felt that what came out of the PlanSB process was the need for housing, which is needed more than new job creation.

Ms. Weiss referenced a slide that showed the list of PlanSB objectives, the last being the reduction of traffic that led to today's discussion.

Ms. Weiss felt that if we add Economic Development, there is no sense in having the Community Priority table. Ms. Weiss thanked the Commission for its input and looks forward to returning.

**September 6, 2012**

**III. DISCUSSION ITEM**

**ACTUAL TIME: 2:27 P.M.**

**TRAFFIC ANALYSIS AND FINDINGS RELATED TO THE CITY'S GROWTH MANAGEMENT PROGRAM.**

On May 17, 2012 the Planning Commission initiated amendments to the City's Zoning Ordinance including the Development Plan Ordinance (DPO), SBMC §28.87.300 and Council Resolution No. 09-058 to carry out recently adopted General Plan Policy LG2, Limit Non-Residential Growth and LG7, Community Benefit Non-Residential Land Uses. The purpose of this hearing is for the Planning Commission to discuss and provide input on the traffic analysis component and related findings of the City's Growth Management Program. This is the second Planning Commission hearing that is focused on this subject. No action will be taken by the Planning Commission at this hearing.

Case Planner: Rob Dayton, Principal Transportation Planner

Email: RDayton@SantaBarbaraCA.gov

Phone: 805-564-5390

Rob Dayton, Principal Transportation Planner, gave the Staff presentation.

Chair Lodge opened the public hearing at 3:08 P.M.

The following people commented with concerns:

1. Lisa Plowman was concerned with overriding considerations, requested that the limitation be removed from the program; concerned about limiting commercial redevelopment of sites to 1,000 square feet outside of Downtown; and development on small lots in the Upper State Street neighborhood.
2. Scott Schell felt that flexibility is needed for future decision makers; where the square footage line is drawn; types of uses allowed better identified; non-residential development project-specific impact threshold policy in the downtown core; and neighborhood balance between retail services and continued residential growth.
3. Steve Leider, local commercial real estate broker, felt flexibility is needed in the Upper State Street area, particularly vacant land and Hitchcock Way dealerships zoned E-3/PD.
4. Trish Allen would like to see more flexibility in outlying areas; and for economic development.

With no one else wishing to speak, the public hearing was closed at 3:25 P.M.

Commission comments:

1. There should be a balance between putting some tools in place and not tying decision-makers' and the community's hands.
2. One way of mitigating increased traffic would be to upgrade/provide stronger public transportation in certain areas.
3. When looking at opportunity sites, consider neighborhood function: its purpose, benefit, and type of use. Do not make them 'lost opportunities.'
4. In the transfer of non-residential footage and the related traffic impacts, consider an option of transferring only the square footage and not the traffic.
5. In the transfer of square footage, conversion into different use in addition to transferring square footage to a different site is supportable.
6. The development of residential housing and the economic development of allowed commercial use have to go hand-in-hand.
7. The better approach is to cautiously permit developments that increase traffic.
8. The city already has more than adequate amount of commercial zoning. Any program that works towards meeting the community's need of more housing is supportable.
9. There are advantages to giving decision-makers flexibility in order to place more usage on prime sites.
10. In summary, the Commission is comfortable with the staff proceeding to draft the ordinance and growth management program based on the staff proposal.

**December 6, 2012**

**IV. RECOMMENDATION TO CITY COUNCIL:**

**ACTUAL TIME: 2:02 P.M.**

**CITY'S NONRESIDENTIAL GROWTH MANAGEMENT PROGRAM**

The purpose of the meeting was for the Planning Commission to make recommendations to the City Council on necessary ordinance amendments to the Municipal Code including the Zoning Ordinance that implements the nonresidential growth management program including how square footage is allocated per parcel and the planning process required. The amendments include a new Traffic Management Strategy that identifies development areas with specific categories of nonresidential development available for allocation within each area.

On May 17, 2012 the Planning Commission initiated amendments to the City's Zoning Ordinance including the Development Plan Ordinance (DPO), SBMC §28.87.300 and Council Resolution No. 09-058 to carry out recently adopted General Plan Policy LG2, Limit Non-Residential Growth and LG7, Community Benefit Non-Residential Land Uses.

Case Planner: Bea Gularte, Project Planner

Email: BGularte@SantaBarbaraCA.gov

Phone: 805-564-5470, ext. 4556

Bea Gularte, Project Planner, gave the Staff presentation, joined by Bettie Weiss, City Planner; John Ledbetter, Principal Planner, and Rob Dayton, Principal Transportation Planner.

Chair Lodge opened the public hearing at 2:35 P.M.

The following people commented on the program:

1. Scott Schell, Associated Transportation Engineers, summarized a letter submitted by the Santa Barbara Planning Growth Management Program Stakeholders Group.
2. Trish Allen, echoed support of the letter submitted by the Santa Barbara Planning Growth Management Program Stakeholders Group.
3. Ralph Horowitz, recapped his letter to the Commission dated December 3, 2012.
4. Lisa Plowman, Peikert Group, added her support to the letter submitted by the Santa Barbara Planning Growth Management Program Stakeholders Group.

With no one else wishing to speak, the public hearing was closed at 2:45 P.M.

The general consensus of the Planning Commission was that the Nonresidential Growth Management Program is going in the right direction.

**MOTION: Bartlett/Thompson**

Forward the Nonresidential Growth Management Program recommendation for adoption to City Council to include revised draft ordinance amendments, and amended Council Resolution with the Traffic Management Strategy, with numerical corrections.

This motion carried by the following vote:

Ayes: 7 Noes: 0 Abstain: 0 Absent: 0



# City of Santa Barbara California

## PLANNING COMMISSION STAFF REPORT

**REPORT DATE:** November 29, 2012  
**AGENDA DATE:** December 6, 2012  
**PROJECT:** Amendments to Title 28 of the Municipal Code for Implementation of Nonresidential Growth Management Program  
**TO:** Planning Commission  
**FROM:** Planning Division, (805) 564-5470  
 Bettie Weiss, City Planner  
 John Ledbetter, Principal Planner  
 Rob Dayton, Principal Transportation Planner  
 Beatriz Gularte, Project Planner

### **I. PURPOSE OF MEETING**

The purpose of the meeting is for the Planning Commission to formalize its recommendations to City Council on amendments to the City's Zoning Ordinance implementing the General Plan Growth Management Policies, including: Policy LG2, Limit Nonresidential Growth and LG7, Community Benefit Nonresidential Land Uses. Amendments are proposed for the Development Plan Ordinance, Santa Barbara Municipal Code Section 28.87.300, the Transfer of Existing Development Rights (TEDR) Ordinance Chapter 28.95, the Development Potential sections throughout the Municipal Code that refer to the Development Plan Ordinance, and the Council Resolution No. 12-075.

The ordinance proposes a new Chapter 28.85, entitled "Growth Management Program" (Exhibit A). The former Development Plan Ordinance, Section 28.87.300, is proposed to be deleted from the Zoning Ordinance. Also attached is the proposed Council Resolution that provides direction for implementation of the new Growth Management Program (GMP). (Exhibit B).

### **II. BACKGROUND**

The 2011 General Plan provides specific policies to guide the amount of nonresidential development, such as commercial, institutional, and industrial uses, allowed over the next twenty years. The prior City growth management policy, known as Measure E<sup>1</sup>, has been implemented by Municipal Code Section 28.87.300, the Development Plan Ordinance (DPO) (Exhibit C) and Resolution No. 12-075. The existing DPO contains many key provisions,

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<sup>1</sup> Charter Section 1508, known as Measure E, expired on January 1, 2010 due to its sunset clause and has been removed from the City's Charter.

including definitions, allocation categories such as Community Priorities, Small Addition, etc., and standards and findings for processing nonresidential projects in the city. The Council Resolution details the administrative procedures for the allocations.

The existing DPO and procedures have served the City well in implementing the nonresidential growth limitations; however, amendments are needed to implement the latest General Plan policies and Planning Commission direction while carrying over relevant components. Also, the past two decades provided experience with the ordinance that informs areas for improvements and that could streamline processing of projects.

Proposed ordinance revisions would update the nonresidential square foot amounts and categories allowing allocation of up to 1.35 million square feet net new nonresidential development to the year 2033, as adopted through the *PlanSB* General Plan update. Revisions also include: refining the category definitions, allocation process, and specifying the Development Plan permit process; including the required findings for approval. The growth management program also includes a traffic strategy for analyzing projects with respect to traffic impacts, and use of the traffic model developed as part of *PlanSB*.

On May 17, 2012, the Planning Commission initiated amendments to the GMP with recommendations for processing of Small Additions, Community Benefit Projects, amendments to the definition of floor area, and the findings currently required for Development Plans. These are described in more detail below.

On June 21, 2012 and September 6, 2012, meetings were held with the Planning Commission to discuss staff's initial approach for the Traffic Management Strategy for direction to change the current traffic finding in the existing DPO.

Between May and September, staff also met with two focus groups comprised of stakeholders knowledgeable about the development process (e.g., architects, planning consultants, traffic consultants, and land development attorneys). The three goals of the focus groups were to explain the staff proposal, demonstrate the differences between the current system and the staff proposal, and to solicit informed input on the subject to assist during Planning Commission discussion and decision-making.

On November 20, 2012, the Council adopted a one year time extension to the current Development Plan Ordinance and Resolution to allow time to process these zoning amendments. The current Development Plan Ordinance will expire on January 1, 2014. Soon after adoption of the new ordinance, Planning Staff will provide a final accounting of how much square footage was allocated and built from the Measure E three million square feet from 1990 to 2013.

### **III. KEY ORDINANCE PROVISIONS**

Any new project submitted after the effective date of the revised ordinance that results in net new square footage will need a square footage allocation from the 1.35 million or be excluded

from the provisions as described below. An individual project can potentially obtain an allocation of square footage from multiple categories consistent with the Traffic Management Strategy.

The GMP is being amended to implement the new 1.35 million square foot allocation for the next two decades and to track the cumulative total allocated per lot under the various category provisions initiated since 1989 when the existing ordinance went into effect.

Below is a summary of the following key ordinance provisions:

- A. Establishment of the Nonresidential Growth Limit for the Next 20 Years and Identify the General Plan Allocation Categories - SBMC §28.85.010.A
- B. Identify the Types of Nonresidential Floor Excluded from the Development Limit – SBMC §28.85.010.B
- C. Definitions – SBMC §28.85.020
- D. Development Plan Review Procedures – SBMC §28.85.030
- E. Standards for Review and Findings – SBMC §28.85.040
- F. Traffic Management Strategy Implementation – SBMC §28.85.050
- G. Amendments Regarding Transfer of Existing Development Rights – SBMC Chapter 28.95

**A. General Plan Allocation Categories**

General Plan Policy LG2 establishes the new nonresidential square footage allowance for the next 20 years as 1.35 million square feet and specifies how allowance will be allocated by category. The 1.35 million net new square feet is to be allocated to Small Additions, Vacant Property and Community Benefit categories as follows:

1. **Small Additions (400,000 s.f.)** – General Plan Policy LG2 allocates up to 400,000 square feet to Small Additions over 20 years. In order to regulate the pace of growth, Small Additions are limited to 20,000 square feet annually with the potential for unallocated Small Addition square footage to roll over, increasing the amount of square footage that could be allocated in the following year.

A project can be allocated up to 2,000 square feet per legal lot from the Small Additions category for a cumulative total of 3,000 square feet if combined with a 1,000 Minor Addition (see a discussion of Minor Additions under Excluded Square Footage below). Once Small Additions reach a cumulative total on the lot of 2,000 square feet over the amount of development that existed on the lot as of December 6, 1989 (beyond 1,000 sq. ft. of Minor Additions), no additional Small Addition square footage can be allocated to that lot. This is a continuation of the current development potential allowances established with Measure E.

Under the current ordinance, at the end of each year, unused Small Additions square footage or Small Addition square footage that had been allocated to a project for which the land use permit approvals had expired during the year rolled over into the Economic Development category. In May, the Planning Commission recommended that the

Planning Commission decide annually whether unused, expired or withdrawn Small Addition square footage would roll over to either the Small Additions or Community Benefit categories. This change in the allocation process for Small Additions is explained in the GMP §28.85.010.A. and Resolution page 6.

2. **Vacant (350,000 s.f.)** – In 1990, 500,000 square feet was allocated under Measure E for vacant properties. The amount was based on a vacant land survey conducted in the City in 1988 that identified approximately 32 acres of vacant land and an additional 100,000 square feet within the Airport Specific Plan area. Vacant Property square footage allocations will continue to be available to those lots that were vacant as of October 1988, at a rate of up to .25 Floor Area Ratio (FAR) of the lot area. Under the current DPO, approximately 357,620 square feet remains unallocated from the 1990 Vacant category. Staff expects the 350,000 allocation under General Plan Policy LG2 and incorporated into the new ordinance to be sufficient to accommodate anticipated development on vacant properties over the next 20 years. The provisions of the Vacant Property allocation category are proposed to remain the same under the new ordinance.
3. **Community Benefit (600,000 s.f.)** - Community Benefit projects may be designated by Council as either a Community Priority or Economic Development project. A Community Priority project is one that meets a present or projected need directly related to public health, safety or general welfare. Under Measure E, a total of 300,000 square feet was provided in this category. Approximately 228,810 square feet was allocated to projects from 1990 to the present.

With the 2011 General Plan update, Community Priority category was revised to include other community benefit types of nonresidential projects (e.g. Economic Development projects) and was allocated 600,000 square feet. These categories are further defined in proposed SBMC §28.85.020 with the designation process specified in the proposed Council Resolution (Exhibit B).

In May, the Planning Commission recommended that the City Council designation and allocation from the Community Benefit category occur once at the beginning of a project permit process, rather than continuing the current procedure with a preliminary allocation for the initial application and a final allocation at permit approval. It now is proposed that there be only one review at Council to determine whether the project can be designated as a Community Benefit Project and allocated floor area from that category, after which the project would proceed through the standard planning process required of the application. It will no longer be necessary for the Planning Commission to make a recommendation to Council on a Community Benefit Final allocation.

General Plan Policy LG7. identifies “Green” Economic Development as a Community Benefit Nonresidential land use category, and an associated implementation action further defines what constitutes a “green” product or job. In addition, General Plan Policy EF5. calls for the promotion and economic development of “Green”/ Sustainable

businesses where practicable. After further analysis, staff recommends at this time that the “Green” Economic Development category not be differentiated from other Economic Development because in doing so, we believe long-term reporting and monitoring would be required to ensure the use of the project remains “Green” and this is neither practical nor cost effective to implement. However, staff supports emphasizing promotion of “Green”/Sustainable businesses through programmatic incentives as envisioned under Policy EF5.

## **B. Excluded Square Footage**

A “Nonresidential Construction Project” is defined in the GMP as one that adds new floor area and excludes repair or replacement of existing floor area in the calculation of new floor area. With the adoption of the 2011 General Plan update, some additional categories of Nonresidential Construction Projects (Prior-Pending, Prior-Approved, and Government Buildings, for example) were approved for exclusion from the overall nonresidential growth allowance. While these excluded categories do not require an allocation of square footage from the 1.35 million, some are subject to the Development Plan process outlined in the ordinance and described later in the report.

Consistent with General Plan Policy LG2, the ordinance excludes the following development from the 1.35 million square feet allocated for Nonresidential Construction Projects:

1. **Demolished Floor Area** - Square footage that is demolished and rebuilt on site or on another site as part of a Transfer of Existing Development Rights (TEDR) is excluded from the 1.35 million square feet. If the square footage is rebuilt on the same site it does not count as new square footage and is not counted when determining whether Development Plan approval is required. This treatment is intended to encourage rebuilding on-site and is a continuation of the current process that has been in effect for the last 20 years.

If demolished square footage is transferred to another site, the transferred square footage is excluded from the 1.35 million limit; however, the project would still require a Development Plan under the TEDR ordinance. The only change being an exception for TEDR projects of less than 1,000 square feet, which would not require a Development Plan.

Historically, projects have generally rebuilt less square footage than what could have been reconstructed on site or elsewhere. Currently, approximately 300,000<sup>2</sup> square feet have been demolished since 1990 and have not been reconstructed, and 100,000 square

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<sup>2</sup> An additional 189,000 square feet was demolished as part of the Saint Francis hospital demolition, however, that square footage cannot be transferred per the Cottage Hospital Development Agreement.

feet are approved for demolition. Approximately 76,000 square feet of demolition are part of pending or approved TEDR projects.

Under the proposed Traffic Management Strategy, the ability to transfer existing development rights will depend upon the location of the sending and receiving sites. Further explanation of TEDR projects is included later in this report.

2. **Minor Additions** – Minor Additions are projects that add or convert 1,000 square feet or less as a cumulative total on a lot since December 6, 1989. Staff considers Minor Additions to be reasonable, necessary improvements that should continue to be allowed with minimal process. Minor Additions are an important aspect of small business flexibility and are important to the economic health of existing businesses and the community. A project adding square footage only from the Minor Additions category does not require a Development Plan.
3. **Hotel Room for Room Replacement** – This is a project that replaces existing hotel rooms on a room for room basis. The GMP allows the reconstruction of larger rooms when replacing existing hotel rooms in order to support enhancements to existing properties and to maintain hotel rooms throughout the City. Any square footage associated with the replacement of a hotel room with a hotel room is excluded square footage.
4. **Government Displacement** – This is a project which involves the relocation, replacement, or repair of a structure or use acquired, removed or damaged by direct condemnation or acquisition by the government (federal, state or local), provided that the square footage does not exceed the square footage of the building acquired or removed. At one time in the early 1990's there were a few Government Displacement projects associated with the Cross Town Freeway. Although we do not foresee many projects under this category, staff recommends maintaining the exclusion in the ordinance.
5. **Prior-Pending and Prior-Approved Projects** - These are project applications that are currently in the permitting pipeline or have been approved, but not built. Prior-Pending and Prior-Approved projects are allocated under the prior Measure E allocation and not from the 1.35 million. The square footage for Prior-Pending Projects is approximately 73,754<sup>3</sup> square feet. The square footage from Prior-Approved projects totals approximately 141,905 square feet for a combined total of 215,659 square feet (Exhibit D, Prior-Pending and Prior-Approved Projects).

These numbers could change as projects continue to process until the GMP Ordinance is formally adopted by the Council. If these projects expire or withdraw, the associated

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<sup>3</sup> This total includes 45,145 from the Paseo de la Playa, 101 Garden Street (Wright Specific Plan) that met the definition of an "Approved" project when Measure E was adopted, but has a current project permitting status of pending.

square footage allocated to them will be eliminated. However, if a Prior-Pending or Prior-Approved project submits a revised project with an increase in the nonresidential square footage, the additional square footage would need to be allocated from one of the categories under the 1.35 million allocation established under the General Plan Policy LG2.

6. **Government Buildings** – Council included this new category of projects that would be excluded from the 1.35 million net new square footage. In the past, government buildings received a Community Priority designation for their square footage. Examples of past projects that would fall within this new category include: Harbor restrooms, Waterfront offices, and Cater Water Treatment Plant.
7. **Annexations** – The policy regarding annexations is not proposed to change. If a property with existing development is annexed into the City, the existing development does not count as new square footage needing an allocation. If the annexation is proposed with new development, the new nonresidential square footage would require an allocation under the GMP. In addition, once a lot is annexed any new development proposed on the lot would be subject to the GMP.

### **C. DEVELOPMENT PLAN PROCESS**

#### **1. Development Plan Initiation and Review**

The square footage allocations allowed from the categories of Minor Additions, Small Additions and Vacant Property will continue as cumulative totals on a lot since December 6, 1989. Under the current DPO, a Development Plan is initiated based on the cumulative total square footage that has been allocated to a lot since 1989. Once a property has received 1,000 net new square feet, any additional square footage requires a Development Plan. This has resulted in Development Plans being required for very small amounts if previous Minor or Small Additions have occurred on a lot in the past.

Under the proposed ordinance amendments, a new nonresidential construction project of 1,000 square feet or more will continue to require a Development Plan; however, that requirement will be based on the size of the project being presently reviewed and not based on a cumulative total since 1989. For example, if a project is allocated 900 square feet of Minor Additions for the first time on a lot in 2013, no Development Plan is required. If another project of 900 square feet of nonresidential floor area is proposed on the same lot in 2018, even though the second project would constitute a Small Addition of 800 square feet, the second project would not require development plan approval because the proposed project is less than 1,000 square feet of floor area.

Exhibit E outlines the review process for nonresidential construction projects that do not require the preparation of an Environmental Impact Report (EIR). Any project, irrespective of size, that requires an EIR will be subject to review and findings by the

Planning Commission. These requirements are included in SBMC 28.85.030, Development Plan Review Procedures and are similar to current processing of projects

## **2. Review of Public Utility Facilities**

Another recommended change to the Development Plan process is for future projects involving regional public utility equipment. In May, the Planning Commission supported amendments to the current definition of floor area to exclude “infrastructure” spaces from the calculation of floor area (see Exhibit A, SBMC 28.85.020.F for revised definition). The definition of floor area has historically also exempted nonhabitable areas used for regional public utility facilities from the calculation of floor area. Staff believes this standard is awkward in that “habitable” usually refers to residential uses or conditioned space and for some utilities it is necessary to have conditioned space for equipment. Staff believes the definition of Floor Area should continue to exclude those portions of regional utility buildings occupied exclusively by equipment, but floor area associated with office space or storage should not be excluded.

Further, while Staff recommends excluding spaces occupied exclusively by equipment from the calculation of floor area for purposes of the development limit, staff recommends counting such floor area for purpose of determining whether a Development Plan is required. Staff recommends that any such facility with 3,000 square feet of new construction require a Development Plan by the Planning Commission in addition to a Conditional Use Permit, if required. This treatment of regional public utility facilities would allow for the review of a potentially large nonresidential construction project consistent with other provisions of the code (i.e. review of Community Benefit projects).

## **D. TRAFFIC MANAGEMENT STRATEGY**

The 2011 General Plan Update FEIR found that the addition of up to 1.35 million square feet of nonresidential growth along with residential growth would cumulatively result in significant traffic impacts at identified intersections by the end of the allocation period. City Council deemed this level of potential traffic impact to be acceptable in light of the Plan’s benefits. New projects will contribute to cumulative traffic impacts; therefore, the current traffic finding required for Development Plans is proposed to be replaced. This finding is:

*“The proposed development will not have a significant unmitigated adverse impact on the City’s Traffic; and resources will be available and traffic improvements will be in place at the time or project’s occupancy.”*

A new Traffic Management Strategy is proposed to manage and track traffic associated with future growth. The General Plan FEIR used a Traffic Model specifically developed for the City to estimate future traffic impacts and congestion. Based upon actual traffic behavior within the City, the Traffic Model identified different traffic generation rates

based on the location within the City (i.e., Downtown vs. outlying areas). The model also determined that the effectiveness of the traffic mitigation measures identified in the FEIR varied based on location. These findings substantially inform the policies and procedures adopted in the proposed Traffic Management Strategy (Exhibit B of the Resolution).

The primary goals of the Traffic Management Strategy are to utilize existing transportation capacity efficiently and to reserve constrained transportation capacity for high priority land uses. All new nonresidential projects will be subject to the Traffic Management Strategy that will specify the types and locations of nonresidential development that can be approved and also which development can be considered for overriding findings for project specific impacts. Given the limited amount of development potential allowed under the Growth Management Program, an important component of the program is the ability to override project specific traffic impacts for those projects that the Planning Commission determines meet other objectives of the General Plan and are beneficial to the community.

Please refer to Exhibit B of the Resolution (Exhibit B) for the proposed Traffic Management Strategy. This strategy would become part of the Growth Management Plan through a Resolution of the Council.

#### **E. TRANSFER OF EXISTING DEVELOPMENT RIGHTS**

Currently, the City's Transfer of Existing Development Rights (TEDR) Ordinance, SBMC Chapter 28.95, regulates the transfer of existing floor area. Existing development rights are defined as existing floor area, approved floor area, demolished floor area, or converted floor area. Floor area can currently be transferred from a sending site to a receiving site by obtaining a Development Plan approval for both sites by the Planning Commission.

While a comprehensive revision of the TEDR Ordinance is not a part of this work effort, some revisions are necessary at this time to ensure consistency with the Growth Management Program definitions, to streamline small transfers to a receiving site within the same Development Area as the sending site, to regulate transfers amongst the Development Areas in a manner consistent with the General Plan Policy of living within our resources.

Historically, there were no particular limits on where existing development rights could be transferred within the City. The system relied on the Development Plan findings to prohibit transfers that could cause traffic impacts. The proposed TEDR Ordinance amendments are consistent with the proposed Growth Management Program and provide for the continued regulation of the transfer of existing nonresidential floor area and hotel rooms. However, some limitations are proposed with the following rules:

1. Existing development rights may be proposed for transfer between a sending site and a receiving site that are within the same development area anywhere in the city.

2. Existing development rights may be proposed for transfer from a sending site within any of the Outlying Development Areas to a receiving site in the Downtown Development Area.
3. Existing development rights cannot be transferred from a sending site in the Downtown Development Area to a receiving site in any of the Outlying Development Areas or the Airport Development Area.
4. Existing development rights cannot transfer from a sending site in one of the Outlying Development Areas to a receiving site in a different Outlying Development Area or the Airport Development Area.
5. Existing development rights cannot transfer from a sending site in the Airport Development Area to a receiving site any other development area.

These amendments to the TEDR process are intended to promote the General Plan Policy of focusing the majority of future land development within the Downtown Area while leaving flexibility to transfer existing development rights within the same development area. This is consistent with the policy of focusing future development in the Downtown Development Area, which according to the Traffic Model generates the least amount of additional traffic and can best accommodate anticipated traffic growth that is shifted from one site to another.

Staff is recommending that the Planning Commission also consider the following amendments to the existing TEDR Ordinance.

**Transfers of First 1,000 Square Feet or Less** - Under the current TEDR, any proposed transfer of existing development rights, requires a Development Plan by the Planning Commission. Staff would like to streamline transfers of existing development rights involving 1,000 square feet or less of demolished square footage in the same Development Area because this may be the only opportunity for some businesses to make small improvements if they have exhausted their Minor or Small Additions in the past 20 years without having to request an Economic Development allocation from Council.

This amendment would establish a similar process to Minor Additions of 1,000 square feet or less that do not need a Development Plan. Any one time transfer up to 1,000 square feet to a receiving site would not need a Development Plan and could be processed at the design review level for the exterior changes if no other land use permit is required from the Staff Hearing Officer or Planning Commission.

Staff will develop the administrative procedures for tracking and recording the appropriate legal instruments, but these projects will not need Planning Commission review if the transfer is less than 1,000 sf. This will assist in reducing the cost to the applicant: processing a Development Plan/TEDR at the Planning Commission level involves more time and cost than processing at the design review level without a Development Plan. This

would be consistent with General Plan policy EF21, Small Businesses which calls for recognizing the economic importance of small business in the community and allowing flexibility in future expansion.

#### **F. DEVELOPMENT PLAN FINDINGS (STANDARDS FOR REVIEW)**

In May 2012, the Planning Commission supported Staff's proposed amendments to the current Development Plan findings such that findings related to housing and water would no longer be necessary on a project specific case-by-case review level. The recently adopted General Plan update and associated programmatic FEIR provide a substantial resource baseline and policy basis for future growth and development over the next 20 years. Possible resource impacts will now be tracked and policies and programs will be adjusted as necessary through the Adaptive Management Program.

The following findings are recommended as those required to be made by the decision making body when a Development Plan is approved.

- 1. The proposed development complies with all provisions of this Title (the Zoning Ordinance).**  
This finding is fundamental; however, from time to time it is needed to explain that consistency may include granting of a modification or CUP. This finding exists in the current DPO.
- 2. The proposed development is consistent with the principles of sound community planning.**  
A project's consistency is analyzed based on existing City goals, policies and ordinances including the General Plan, the Zoning Ordinance, the Local Coastal Plan (if in Coastal Zone) and applicable development or design guidelines. In some cases, special studies have resulted in direction for development in a particular area such as in the Upper State Street Study. This finding exists in the current DPO and allows for a significant amount of latitude on the part of the decision makers and is used to approve a project and provide the reasoning on a project by project basis.
- 3. The proposed development will not have a significant adverse impact upon the neighborhood's aesthetics/character in that the size, bulk or scale of the development will be compatible with the neighborhood based on the Project Compatibility Analysis found in SBMC §22.22.145 and §22.68.045."**

Historically, design review by either the ABR or the HLC informs the Planning Commission for making this finding on a particular project. In 2008, in order to promote consistency between the City land use decision making process (SHO or Planning Commission) and the City design review process, the Council adopted the Project Compatibility Analysis criteria. The design review boards must consider the six

criteria in their review of every project that goes before them and a noticed public hearing is required.

4. **The proposed development is consistent with the policies of the City of Santa Barbara Traffic Management Strategy as expressed in the allocation allowance specified in Section 28.85.050.**

The current DPO and review standards pose significant limitation on the ability of the Planning Commission and Council to approve projects which contribute or result in significant traffic impacts for which the mitigation is not feasible or available. This finding has historically been the most difficult for new construction projects and thus a significant amount of project environmental review was dedicated to analyzing existing traffic impacts and possible traffic effects for the next increment of growth.

In order to utilize the City's transportation capacity efficiently and to prioritize constrained transportation capacity for high priority land uses, a new Traffic Management Strategy as described earlier in this report is being proposed. Only certain categories of development will be allowed in certain areas. For those projects requiring a Development Plan, this finding will be required.

#### **G. ENVIRONMENTAL REVIEW**

The General Plan Final Program Environmental Impact Report (FEIR) certified in September 2010 and December 2011 initially assessed citywide impacts associated with 2,178,202 square feet of nonresidential development. Subsequently, an Addendum to the Final EIR analyzed a revised, lower growth management program of 1.85 million square feet of nonresidential development (up to 1.35 million SF growth policy cap plus 0.5 million SF for excluded development). The FEIR and Addendum concluded that even with identified mitigation measures, unavoidable significant impacts associated with increased traffic congestion and greenhouse gas generation would occur by 2030 as a result of maximum allowable new development under the General Plan policies.

On September 18, 2012, the City Council adopted the City's Climate Action Plan. An Addendum to the Program FEIR was prepared to document the Climate Action's Plan updated greenhouse gas emissions analysis, which showed that future citywide greenhouse gas emissions would be lower than earlier identified in the FEIR and would meet the State target, thereby constituting a less than significant impact.

The FEIR identified that vehicle trips associated with new development would increase the number of intersections exceeding the City's level of service standard from 13 to up to 20 - 26 with the growth level provided under General Plan policies, and feasible mitigation measures would only partially offset the impact. The City Council adopted findings of overriding consideration for this significant cumulative traffic impact and also adopted

General Plan Circulation Element policies directing that traffic impacts should be minimized as feasible.

The FEIR traffic model analysis completed for the General Plan found that the Downtown Area is distinguished from all Outlying Development Areas within the City because land developed within the Downtown will generate the least amount of vehicle traffic due to the mix of land uses/trip destinations and substantial travel via walking, biking, and transit. Additionally, transportation implementation actions recommended in the Circulation Element will predominantly be effective in the Downtown development area. By helping to direct future incremental growth toward areas that would generate less traffic, the proposed Traffic Management Strategy component of the implementing ordinance amendments reflects the General Plan policies for growth limitation in a manner to minimize traffic impacts and conserve remaining roadway capacity.

The zoning amendments implementing the General Plan growth limitation policies constitute a citywide program. The policies and standards for the City's projected growth have been previously analyzed for environmental impacts in the Final EIR and Addenda for the General Plan and Climate Action Plan. Specifically, the environmental and traffic impacts associated with implementing General Plan Policy LG2 and the growth limitation policy for up to 1.35 million net new square feet was included in the analysis of the General Plan FEIR and Addenda. Potential future development under these zoning amendments is within the growth projections and traffic distribution assumptions for that impact analysis.

The California Environmental Quality Act (CEQA) Guidelines Section 15168 for Program Environmental Impact Reports (EIRs) provide for preparing a Program EIR for a series of actions characterized as one large project related in connection with issuance of rules, regulations, plans, or other criteria to govern the conduct of a continuing program. Use of a Program EIR is intended to streamline environmental review and avoid duplicative reconsideration for subsequent implementing steps.

CEQA Section 21083.3 and Guidelines Section 15183 mandate that projects which are consistent with the development density established by general plan policies for which an EIR was certified, and rezonings consistent with the plan, shall not require additional environmental review except under specified instances.

The proposed implementing ordinance amendments do not trigger the additional environmental review requirements, as follows: There are no additional site-specific or project-specific significant effects which are peculiar to the proposed zoning amendments; there are no new significant effects not addressed in the prior Program EIR; and there is no new information since the FEIR that would involve more significant impacts than identified in the FEIR. Environmental review for the proposed implementing ordinance amendments is addressed by the General Plan Program EIR and Addenda, and no further environmental review is required.

## **H. RECOMMENDATION AND NEXT STEPS**

Staff recommends incorporation of the proposed amendments for the new Growth Management Program. Staff requests that the Planning Commission consider the proposed draft ordinance amendments, the amended Council Resolution and the Traffic Management Strategy, and direct any changes and recommendations to the City Council for adoption of the overall Growth Management Program.

Following Planning Commission review and recommendation, the Growth Management Program will be reviewed by the Council Ordinance Committee. The program would then return to the Planning Commission only if significant changes are recommended by the Ordinance Committee. Otherwise, the Ordinance Committee will review and make a recommendation for introduction and adoption by the City Council. While the current DPO is in effect until January 2014, staff anticipates that the new Growth Management Program Ordinance and the accompanying resolution would be adopted in April of 2013.

## **I. EXHIBITS**

- ~~A. Draft Growth Management Program and Transfer of Existing Development Rights Ordinance~~ Refer to Ordinance included in CAR, 3/5/2013
- B. ~~Draft Council Resolution w/Exhibits~~ Refer to Resolution included in CAR, 3/5/2013
- C. Existing Development Plan Ordinance, SBMC 28.87.300
- D. Prior Pending and Prior Approved Projects Table
- E. Typical Process for Nonresidential Projects by Size of Project

**EXHIBIT A (PRIOR DRAFT OF CITY ORDINANCE) FROM PC STAFF REPORT DATED AGENDA DATE, DECEMBER 6, 2012 IS OMITTED.**

**EXHIBIT B (PRIOR DRAFT OF CITY RESOLUTION) FROM PC STAFF REPORT DATED AGENDA DATE, DECEMBER 6, 2012 IS OMITTED.**



# City of Santa Barbara

## Development Plan Ordinance

### 1. 28.87.300 Development Plan Review and Approval.

#### A. DEVELOPMENT PLAN.

##### 1. Requirement for Development Plan.

a. Planning Commission Review Required. No application for a land use permit for a nonresidential construction project as defined in Subsection B of this Section will be accepted or approved on or after December 6, 1989 unless the project falls within one or more of the categories outlined in Paragraph 2 of this Subsection and defined in Subsection B of this Section. Before any nonresidential construction project is hereafter constructed in any zone including zones at the Santa Barbara Municipal Airport, a complete development plan for the proposed development shall be submitted to the Planning Commission for review and approval. In addition, before residential floor area in any building or structure located in any zone including zones at the Santa Barbara Municipal Airport is converted to nonresidential use, a complete development plan for the proposed conversion shall be submitted to the Planning Commission for review and approval. Before any transfer of existing development rights may be approved pursuant to Chapter 28.95, development plans for both the sending site(s) and receiving site(s) as defined therein shall be approved by Planning Commission or City Council on appeal pursuant to this section.

Any nonresidential project except for Transfer of Existing Development Rights projects, which involves an addition of greater than three thousand (3,000) and less than ten thousand (10,000) square feet of floor area and which does not require the preparation of an Environmental Impact Report, shall be placed on the Planning Commission Consent Calendar for review and action. The only findings in Paragraph D.1 applicable to these projects are Findings d, e, f, and g. These findings shall be made at the time of Planning Commission approval.

##### b. Exceptions.

(1) Notwithstanding the provisions of Subparagraph a. of this Subsection, any nonresidential project which involves an addition of one thousand (1,000) square feet or less, and which does not require the preparation of an Environmental Impact Report, shall not be required to receive development plan approval.

(2) Notwithstanding the provisions of Subparagraph a. of this Subsection, any nonresidential construction project which involves the following shall not be required to receive development plan approval from the Planning Commission:

a. an addition of greater than one thousand (1,000) and less than or equal to three thousand (3,000) square feet of floor area, and;

b. does not require the preparation of an Environmental Impact Report, and;

c. does not require some other form of discretionary approval from the Planning Commission under other applicable provisions of this Code.

(3) Development plan approval for projects not requiring Planning Commission approval under subparagraph (2) above shall be required from the Staff Hearing Officer if the application requires discretionary review by the Staff Hearing Officer under another provision of this Code. Otherwise, development plan approval for projects not requiring Planning Commission approval under subparagraph (2) above shall be required at the time of Preliminary Approval from the Architectural Board of Review, or the Historic Landmarks Commission if the property is located within El Pueblo Viejo Landmark

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District or another landmark district, or if the structure is a designated City Landmark. Such projects are subject to the findings in Subsection E of this Section and the provisions of Section 28.87.350.

2. Development Potential.

a. Nonresidential Construction Project. Nonresidential construction projects, as defined in Subsection B of this Section, shall be restricted to no more than three million (3,000,000) square feet until the year 2013. This allowable square footage shall be allocated in the following categories, as defined in Subsection B of this Section.

Category	Square Footage
Approved Projects	900,000 s.f.
Pending Projects	700,000 s.f.
Vacant Property	500,000 s.f.
Minor Additions	Exempt
Small Additions	600,000 s.f.
Community Priorities	300,000 s.f.

Small Additions shall be limited to no more than thirty thousand (30,000) square feet annually. Procedures for allocating square footage under these categories shall be established by resolution of City Council.

Notwithstanding the development restrictions established above, the Planning Commission or City Council on appeal may approve nonresidential development projects determined by the City Council to promote Economic Development. However, the total development square footage of all Economic Development Projects approved prior to January 1, 2013, shall not exceed the total square footage of "Approved" or "Pending" projects which have expired or been abandoned and any unused development square footage remaining from the annual allotment in the "Small Additions" category as of the date the Planning Commission or City Council on appeal approves a particular Economic Development Project. Nothing herein shall be deemed to authorize the approval of nonresidential development totalling in excess of three (3) million square feet above the October 1988 baseline condition until January 1, 2013.

b. Other Nonresidential Development. Other nonresidential development may occur so long as it falls within the following categories, as defined in Subsection B of this Section.

- (1) Government Displacement Project.
- (2) Hotel Room for Room Replacement Project.

**B. DEFINITIONS.**

1. Approved Projects or Revisions thereto. A project which satisfies any of the following criteria:

a. An application for a land use permit for the project (other than an application for Specific Plan approval) which was approved on or before October 26, 1989 and the approval is still valid.

b. The project pertains to implementation of a Specific Plan which was approved prior to April 16, 1986, and the Plan required the construction of substantial circulation system improvements, and all of those improvements were either:

- (1) Installed prior to the effective date of this ordinance; or
- (2) Subsequently constructed pursuant to an Owner Participation Agreement (OPA) and installed prior to the approval of any development plan(s).

c. The project consists of a revision to a project which qualifies under either Subparagraph a. or b. of this Paragraph B.2, provided the revision will result in no increase in floor area over the approved

amount. Once a revision to a project has been approved that reduces the floor area from the originally approved amount, the unused floor area shall not be reallocated to the project as part of a future revision. The unused floor area shall be available for Economic Development Projects.

2. Community Priority. A project which has been designated by the City Council as a community priority necessary to meet a present or projected need directly related to public health, safety or general welfare.

3. Economic Development Project. A project which has been designated by the City Council as a project that is consistent with the City Charter, General Plan and this Title, will enhance the standard of living for City and South Coast residents and will strengthen the local or regional economy by either creating new permanent employment opportunities or enhancing the City's revenue base. An Economic Development Project should also accomplish one or more of the following:

a. Support diversity and balance in the local or regional economy by establishing or expanding businesses or industries in sectors which currently do not exist on the South Coast or are present only in a limited manner; or

b. Provide new recreational, educational, or cultural opportunities for City residents and visitors; or

c. Provide products or services which are currently not available or are in limited supply either locally or regionally.

For purposes of this Section, "standard of living" is defined as wages, employment, environment, resources, public safety, housing, schools, parks and recreation, social and human services, and cultural arts.

4. Floor Area. Floor Area is the area included within the surrounding exterior walls of a building or portion thereof, exclusive of the area occupied by the surrounding walls, vent shafts and courts, or areas or structures used exclusively for parking. Nonhabitable areas used exclusively for regional public utility facilities shall not count toward the calculation of floor area. Any floor area which was constructed, approved, demolished or converted in violation of any provision of this Municipal Code, shall not give rise to any right to rebuild or transfer floor area.

5. Floor Area Ratio. The area expressed as the ratio of floor area to total square footage of a parcel.

6. General Welfare. A community priority project which has a broad public benefit (for example: museums, child care facilities, or community centers) and which is not principally operated for private profit.

7. Government Displacement Project. A project which involves the relocation, replacement, or repair of a structure or use acquired, removed or damaged by direct condemnation or negotiated acquisition by the government (federal, state or local), provided the square footage of a project constructed to replace a building acquired or removed by the government does not exceed the square footage of the building so acquired or removed.

8. Hotel Room for Room Replacement Project. A project which consists of replacement or remodeling of existing hotel rooms at the same location on a room for room basis.

9. Land Use Permit. A governmental decision concerning a permit, license, certificate, or other entitlement for use of land, including a conditional use permit, variance, modification, development plan, specific plan, general plan amendment, coastal development permit, conversion permit, subdivision map (except those creating new single family lots), building permit, grading permit, demolition permit, water service connection or any similar approval or use.

10. Minor Addition. A project which consists of a minor addition defined as:

a. A nonresidential addition of one thousand (1,000) square feet or less of floor area to an existing structure; or

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- b. Construction of a free standing nonresidential structure of one thousand (1,000) square feet or less of floor area on a parcel containing another structure; or
- c. Conversion of residential floor area to no more than one thousand (1,000) square feet of nonresidential floor area; or
- d. Concurrent construction of nonresidential floor area of one thousand (1,000) square feet or less associated with a new structure constructed under the Approved, Pending, Community Priority or Vacant Property categories.
- e. The one thousand square foot limitation defined in subparagraphs a. through d. above is a cumulative total available per parcel. Once a cumulative total of 1,000 square feet of Minor Additions has been reached, any further additions up to a total of 3,000 square feet (including the Minor Additions) shall be allocated from the Small Addition category.

(1) EXCEPTION: If an existing or proposed building occupies two or more parcels created prior to October 1988, the maximum square footage available for a Minor Addition shall equal the sum of the Minor Additions which could be approved on the individual parcels pursuant to the findings in Subsection E of this Section. For parcels created after October 1988, any remaining Minor Addition allocation shall be divided evenly between all of the parcels created from each parcel eligible for a Minor Addition. The remaining allocation may be divided in a different manner between the parcels created if this division is executed in a legal instrument that is recorded with the County recorder and approved as to form by the City Attorney for each parcel involved at the time of recordation of the Final or Parcel map for the subdivision.

11. Nonresidential Construction Project. A project, or portion thereof, which consists of the construction of or addition of new floor area for other than residential use or the conversion of existing residential floor area to nonresidential use. Repair or replacement of existing floor area is not included in the calculation of new floor area for the purpose of this Section.

12. Pending Project or Revisions thereto. A project which satisfies any of the following criteria:

a. An application for a land use permit for the project was accepted on or before October 26, 1989 and the application: (1) has not been denied by the City; (2) has not been withdrawn by the applicant; (3) has not yet received City approval or (4) has received City approval after October 26, 1989 and that approval is still valid.

b. The project pertains to implementation of a Specific Plan which was approved prior to April 16, 1986 and the project does not qualify under Subparagraph 1.b. of this Subsection.

c. The project consists of a revision to a project which qualifies under either Subparagraph a. or b. of this Paragraph 12, provided the revision will result in no increase in floor area over the amount shown on the pending application. Once a revision to a project has been approved that reduces the floor area from the originally approved amount, the unused floor area shall not be reallocated to the project as part of a future revision. The unused floor area shall be available for Economic Development Projects.

13. Residential Unit. A dwelling unit as defined in Chapter 28.04, but not including any of the following:

a. A hotel or boarding house as defined in Chapter 28.04 which includes a motel, bed and breakfast inn, or similar facility in which the average duration of stay of the residents, during the six month period prior to February 1, 1990, was less than thirty (30) days.

b. A mobile-home or recreation vehicle as defined in Chapter 28.04.

14. Small Addition. A project which consists of a small addition defined as:

a. A nonresidential addition of more than one thousand (1,000) and less than or equal to three thousand (3,000) square feet of floor area to an existing structure; or

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b. Construction of a free standing nonresidential structure of more than one thousand (1,000) and less than or equal to three thousand (3,000) square feet of floor area on a parcel containing another structure; or

c. Conversion of residential floor area to more than one thousand (1,000) and less than three thousand (3,000) square feet of nonresidential floor area; or

d. Concurrent construction of nonresidential floor area of more than one thousand (1,000) and less than or equal to three thousand (3,000) square feet associated with a new structure constructed under the Approved, Pending, Community Priority or Vacant Property categories.

e. The limitations on floor area defined in subparagraphs a. through d. above establish the cumulative total available per parcel. In any case, the combined total of Minor and Small Additions shall not exceed a cumulative total of three thousand (3,000) square feet.

(1) EXCEPTION: In the case where an existing or proposed building occupies two or more parcels created prior to October 1988, the maximum square footage available for a Small Addition shall equal the sum of the Small Additions which could be approved on the individual parcels pursuant to the findings in Subsection E of this Section. For parcels created after October 1988, any remaining Small Addition allocation shall be divided evenly between all of the parcels created from each parcel eligible for a Small Addition. The remaining allocation may be divided in a different manner between the parcels created if this division is executed in a legal instrument that is recorded with the County recorder and approved as to form by the City Attorney for each parcel involved at the time of recordation of the Final or Parcel map for the subdivision.

f. Procedures for allocating square footage in the Small Addition category shall be established by resolution of the City Council.

15. Vacant Property. A project on a parcel of land which was vacant in October 1988, which consists of construction of a nonresidential structure with a floor area ratio of no more than 0.25.

C. REVIEW BY PRE-APPLICATION REVIEW TEAM. All nonresidential construction projects requiring the preparation of an Environmental Impact Report or involving greater than 3,000 square feet of floor area and subject to this Section shall be reviewed by the Pre-Application Review Team as provided in Chapter 27.07 of this Code.

D. STANDARDS FOR REVIEW. Unless specifically exempt, the following findings shall be made in order to approve a development plan submitted pursuant to this Section.

1. Findings:

a. The proposed development complies with all provisions of this Title; and

b. The proposed development is consistent with the principles of sound community planning;  
and

c. The proposed development will not have a significant adverse impact upon the neighborhood's aesthetics/character in that the size, bulk or scale of the development will be compatible with the neighborhood; and

d. The proposed development will not have a significant unmitigated adverse impact upon City and South Coast affordable housing stock; and

e. The proposed development will not have a significant unmitigated adverse impact on the City's water resources; and

f. The proposed development will not have a significant unmitigated adverse impact on the City's traffic; and

g. Resources will be available and traffic improvements will be in place at the time of project occupancy.

2. Potential for Overriding Considerations:

a. A finding of significant adverse impact under Subparagraph 1.c above can be overridden if it is determined that the economic, social or public benefits of the proposed development outweigh its significant adverse impacts.

b. A finding of significant adverse impact under Subparagraphs 1.a or 1.b above cannot be overridden.

c. A finding of unmitigated significant adverse impact under Subparagraphs 1.d, 1.e, 1.f, or 1.g above for a Minor Addition Project, Government Displacement Project or that portion of a project which qualifies as a Government Displacement Project, a Community Priority Project, and an Approved Project or Revision thereto can be overridden if it is determined that the benefits of the proposed development outweigh its significant adverse impacts.

3. Exception. Notwithstanding any provision of this Section to the contrary, a development plan shall not be denied based on a finding pursuant to Subparagraph 1.d of this Subsection E if (i) the plan incorporates revisions to a development plan approved by the Planning Commission under this Section prior to February 25, 1988, and (ii) the project shown on the plan will not generate a demand for new housing in excess of the demand generated by the previously approved project.

E. DEVELOPMENT PLAN NOTICE AND HEARING. The Staff Hearing Officer, Planning Commission, or City Council on appeal, shall hold a public hearing prior to taking action on any development plan. Notice of the public hearing shall be given in accordance with Section 28.87.380.

F. SUSPENSIONS AND APPEALS.

1. A decision by the Staff Hearing Officer under this Section may be suspended or appealed according to the provisions of Section 28.05.020.

2. A decision by the Planning Commission under this Section may be appealed according to the provisions of Chapter 1.30. In addition to the procedures specified in Chapter 1.30, notice of the public hearing before the City Council on an appeal from a decision of the Planning Commission regarding a decision of the Staff Hearing Officer shall be provided in the same manner as notice was provided for the hearing before the Planning Commission.

G. FEES. Fees for filing applications and appeals shall be established by resolution of the City Council.

H. EXPIRATION OF DEVELOPMENT PLANS. A development plan approved pursuant to this Section shall expire pursuant to the provisions of Section 28.87.350. For projects with floor area allocated from the Approved, Pending, Economic Development and Small Addition categories, the unused floor area shall be made available for allocation to Economic Development Projects upon expiration of the development plan. For projects with floor area allocated from the Community Priority and Vacant Property categories, the unused floor area shall revert to the category from which the floor area was allocated upon expiration of the development plan.

I. MULTIPLE DEVELOPMENT PLANS. When more than one valid approved development plan exists for a lot, upon issuance of a building or grading permit for any work authorized by one of the approved development plans, all other development plans approved for that lot are deemed abandoned by the property owner. No building or grading permit shall be issued for any work authorized by a development plan following abandonment of that plan. For projects with floor area allocated from the Approved, Pending, Economic Development and Small Addition categories, any unused floor area shall be made available for allocation to Economic Development Projects upon abandonment of a development plan. For projects with floor area allocated from the Community Priority and Vacant Property categories, any unused floor area shall revert to the category from which the floor area was allocated upon abandonment of a development plan. (Ord. 5493, 2009; Ord. 5380, 2005; Ord. 5378, 2005; Ord. 4995, 1996; Ord. 4945, 1996; Ord. 4918, 1995; Ord. 4858, 1994; Ord. 4851, 1994; Ord. 4790, 1992; Ord. 4761,

1992; Ord. 4696, 1991; Ord. 4670, 1991; Ord. 4557, 1988; Ord. 4535, 19858; Ord. 4530, 1988; Ord. 4529, 1988; Ord. 4492, 1988; Ord. 4361, 1986; Ord. 4140, 1982.)

**28.87.350 Development Plan Time Limits.**

A. **TIME LIMIT.** A development plan approved pursuant to any provision of this Title shall expire four (4) years from the date of its approval, except as otherwise provided herein. No building or grading permit for any work authorized by a development plan shall be issued following expiration of that plan.

B. **CONDITIONS.** Any condition imposed on a development plan may, in the discretion of the body approving the development plan, also constitute (i) a condition to the issuance of and continued validity of any building or grading permit issued to implement that development plan, (ii) a condition to the issuance of the certificate of occupancy with respect to any improvements authorized by the development plan and (iii) if recorded with the County Recorder, to the continued validity of the certificate of occupancy. Violation of any such condition shall be grounds for suspension or revocation of any building or grading permit or certificate of occupancy issued with respect to the development plan.

C. **EXTENSION OF TIME PERIOD.** Upon application of the developer filed prior to the expiration of the development plan, the time at which the development plan expires may be extended by the Community Development Director for one (1) year.

An extension of the expiration date of a development plan shall be granted if it is found that there has been due diligence to implement and complete the proposed project as substantiated by competent evidence in the record.

D. **SUSPENSION OF TIME DURING MORATORIUM.** The period of time specified in Subsection A, including any extension thereof granted pursuant to Subsection C, shall not include any period of time during which a moratorium, imposed after approval of the development plan, is in existence, provided however, that the length of the moratorium does not exceed five (5) years. For purposes of this Subsection, a development moratorium shall include (i) a water or sewer moratorium, (ii) a water and sewer moratorium, and (iii) a building or grading permit moratorium, as well as other actions of public agencies which regulate land use, development, or the provision of services to the land other than the City, which thereafter prevents, prohibits, or delays the completion of the development.

Once a moratorium is terminated, the development plan shall be valid for the same period of time as was left to run on the development plan at the time that the moratorium was imposed. However, if the remaining time is less than 120 days, the development plan shall be valid for 120 days following the termination of the moratorium.

E. **SUSPENSION OF TIME DURING LITIGATION.** The period of time specified in Subsection A, including any extension thereof granted pursuant to Subsection C, shall not include the period of time during which a lawsuit involving the approval of the development plan or related approvals is or was pending in a court of competent jurisdiction, if the stay of time period is approved by the Planning Commission or City Council pursuant to this Section. After service of the initial petition or complaint in the lawsuit upon the City, the developer may apply to the City for a stay pursuant to the City's adopted procedures. Within forty (40) days after receiving the application, the City shall either stay the time period for up to five years or deny the requested stay. The City Council may, by resolution, establish procedures for reviewing a request for a stay, including, but not limited to, notice and hearing requirements, appeal procedures and other administrative requirements.

F. **DEVELOPMENT PLANS ALREADY APPROVED.**

1. **Beginning Date – Development Plan Approvals.** For the purpose of calculating the expiration date of development plans approved prior to the adoption of the ordinance approving this Section, the date of approval of such development plans shall be deemed to be the date said ordinance is adopted by the City Council.

***Measure E Ordinance (Development Plan Review and Approval)***

2. Specific Plan Development Plan Approvals. For the purposes of calculating the expiration date of a Specific Plan project Development Plan approved in accordance with Santa Barbara Municipal Code Chapter 29.30, Development Plan approvals shall be deemed to expire eight (8) years after the date of the final City action approving the project Development Plan and shall include any related project approvals or modifications granted by the City in connection therewith. (Ord. 5380, 2005; Ord. 5308, 2004; Ord. 4361, 1986.)

**Prior-Pending and Prior-Approved Nonresidential Projects  
December 2012**

**Prior-Pending Net New Square Feet**

ADDRESS	APN	APPLICATION #	Airport	Downtown	Riviera	Upper State	Coast Village	Mesa
602 W ANAPAMU ST	039-151-014	MST90-02931		4,800				
350 CHAPALA ST B	037-450-023	MST2012-00096		460				
101 GARDEN ST - Wright Property	017-630-018	MST2006-00210		45,125				
115 E GUTIERREZ ST	031-271-030	MST2012-00069		598				
1298 LAS POSTAS RD - Elings Park	047-010-034	MST2006-00509						13,821
101 STATE ST	033-075-006	MST2011-00171		7,501				
1936 STATE ST	025-372-001	MST2011-00167		1,449				
			0	59,933	0	0	0	13,821

Prior-Pending Total: **73,754 S.F.**

**Prior-Approved Net New Square Feet**

412 ANACAPA ST	031-271-019	MST2008-00322		3,375				
528 ANACAPA ST	031-201-029	MST2012-00300		2,000				
710 ANACAPA ST	031-081-013	MST2008-00362		40				
517 CHAPALA ST	037-163-007	MST2005-00088		429				
1255 COAST VILLAGE RD	009-291-018	MST2011-00220					2,000	
1298 COAST VILLAGE RD	009-230-043	MST2004-00493					1,778	
4151 FOOTHILL RD	059-160-017	MST2008-00496						
513 GARDEN ST	031-202-009	MST2010-00168		1,730		56,372		
134 HARBOR WAY	033-120-018	MST2007-00356		66				
702 LAGUNA ST	031-092-023	MST2010-00288		2,000				
1900 LASUEN RD	019-170-022	MST2007-00140			6,000			
803 N MILLPAS ST	031-042-028	MST2006-00510		200				
635 OLIVE ST	031-160-012	MST2012-00156		1,997				
540 W PUEBLO ST - Cancer Center	025-090-046	MST2007-00092		25,845				
35 STATE ST - Entrada	033-102-004	MST97-00357		8,508				
125 STATE ST	033-075-012	MST2009-00119		14,691				
518 STATE ST	037-173-046	MST2005-00477		1,487				
3880 STATE ST	057-240-046	MST2006-00185				733		
920 SUMMIT RD - Montecito CC	015-211-009	MST2005-00831					7,771	
101 E VICTORIA ST	029-071-013	MST2006-00758		4,703				

**Prior-Pending and Prior-Approved Nonresidential Projects  
December 2012**

**Prior-Pending Net New Square Feet**

<b>520 E YANONALI</b>	<b>017-113-016</b>	<b>MST2009-00011</b>					
			<b>180</b>				
			<b>0</b>	<b>67,251</b>	<b>6,000</b>	<b>57,105</b>	<b>11,549</b>
							<b>0</b>

**Prior-Approved Total: 141,905 S.F.**

**Exhibit D Grand Total 215,659 S.F.**

### Typical Process for Nonresidential Projects by Size of Project<sup>1</sup>

Project Size**	Dev. Plan Required	Design Review	SHO or PC	Notes	Change in Current Process**
1. 1,000 s.f. or less	No	Yes	Only if other land use permit is needed	<ul style="list-style-type: none"> <li>SHO for modifications, mixed use with 4 or less condos.</li> <li>PC if mixed use with 5 or more condos or CUP.</li> </ul>	No
2. 1,000 – 3,000 s.f.	Yes	Yes	SHO	<ul style="list-style-type: none"> <li>Design Review if no other land use permit is needed.</li> <li>SHO if other land use permit is needed.</li> <li>PC if mixed use with 5 or more condos or CUP.</li> </ul>	No
3. 3,000 s.f. or more	Yes	Yes	PC		No
4. Demo/Replace Same or Less	No	Yes	Only if other land use permit is needed	<ul style="list-style-type: none"> <li>SHO for modifications, mixed use with 4 or less condos.</li> <li>PC if mixed use with 5 or more condos or CUP.</li> </ul>	No
5. TEDR 1,000 s.f. or less	No	Yes	Only if other land use permit is needed	<ul style="list-style-type: none"> <li>When not combined with other square footage allocations. Project review is based on total size of the addition.</li> <li>SHO for modifications, mixed use with 4 or less condos.</li> <li>PC if mixed use with 5 or more condos or CUP.</li> </ul>	Yes**
6. TEDRs 1,000 s.f. or greater	Yes	Yes	PC	<ul style="list-style-type: none"> <li>Development Plan required for sending and receiving site.</li> </ul>	No
7. Hotel Room for Room Replacement on site	No	Yes	Only if other land use permit is needed	<ul style="list-style-type: none"> <li>Any hotel expansion in addition to the rooms would require review based on project size.</li> </ul>	No
8. Hotel Room for Room Replacement off site (TEDR)	Yes	Yes	PC	<ul style="list-style-type: none"> <li>Development Plan required for sending and receiving site.</li> </ul>	No
9. Regional Public Utility Facilities Greater than 3,000 s.f.	Yes	Yes	PC	<ul style="list-style-type: none"> <li>For structures 3,000 s.f. or greater.</li> <li>If less than 3,000 s.f., Development Plan could be granted by other decision making body depending if no other land use permits needed (e.g. modifications or CUP)</li> </ul>	Yes**

**Exhibit E**

<sup>1</sup> This is a typical process when adding new nonresidential square feet. Projects located in the Coastal Zone or zones that require a Development Plan by the Planning Commission or Planning Commission for any other reason specified in the Municipal Code could require reviews at the Planning Commission level.



# ASSOCIATED TRANSPORTATION ENGINEERS

100 N. Hope Avenue, Suite 4, Santa Barbara, CA 93110 • (805) 687-4418 • FAX (805) 682-8509

Since 1978

Richard L. Pool, P.E.  
Scott A. Schell, AICP, PTP

January 14, 2013

Ordinance Committee  
City of Santa Barbara  
735 Anacapa Street  
Santa Barbara, CA 93110

## **CITY OF SANTA BARBARA GROWTH MANAGEMENT POLICIES - ORDINANCE COMMITTEE HEARING JANUARY 15, 2013**

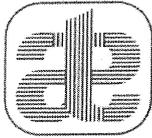
The attached letter provides comments on the amendments proposed for the City's Nonresidential Growth Management Program. The comments represent input from the various stakeholder group members that participated in the meetings lead by City staff to review and comment on the proposed modifications.

These comments were presented at the Planning Commission hearing held on December 6, 2012. While there was some discussion on the issues raised in the comment letter, no action was taken by City staff or the Planning Commission on the requested modifications.

The stakeholders group continues to be concerned about the issues raised in the letter and requests that the Ordinance Committee consider the requested modifications.

Scott A. Schell, AICP, PTP  
Associated Transportation Engineers

Attachment: December 5, 2012 Comment Letter



## **ASSOCIATED TRANSPORTATION ENGINEERS**

100 N. Hope Avenue, Suite 4, Santa Barbara, CA 93110 • (805) 687-4418 • FAX (805) 682-8509

Since 1978

Richard L. Pool, P.E.  
Scott A. Schell, AICP, PTP

December 5, 2012

Honorable Planning Commission  
City of Santa Barbara  
735 Anacapa Street  
Santa Barbara, CA 93110

### **CITY OF SANTA BARBARA GROWTH MANAGEMENT POLICIES - PLANNING COMMISSION HEARING DECEMBER 6, 2012**

The following letter provides comments on the amendments proposed by City staff to Title 28 of the Municipal Code for Implementation of the Nonresidential Growth Management Program. The comments represent input from the stakeholders that participated in the focus groups lead by City staff to review and comment on the proposed modifications.

#### **General Comment**

The stakeholders group is generally supportive of the amendments proposed by City staff, however, there are a few areas where the amendments are too restrictive. We feel that the Growth Management Program should provide enough flexibility for the Planning Commission and the City Council to consider a variety of land use decisions throughout the entire City over the next 20 years.

One of the key concerns is the proposed restriction on nonresidential development within the "Outlying Development Areas" (Upper State Street, Mesa, Coast Village Road, Riviera, Las Positas Valley and Upper De La Vina Street). The current proposal is to allow only 1,000 SF additions to all nonresidential parcels within these areas (excluding vacant parcels, Community Priority Projects and TEDRs). We feel that this restriction will significantly impact the future redevelopment of underutilized and blighted properties in these areas of the City.

### Recommended Modifications

The stakeholders group is requesting the following modifications to the Non-Residential Growth Management Program.

#### Outlying Development Areas

1. Add "Small Additions" to the list of categories that are allowed for floor area allocation within the Outlying Development Areas. This will allow underutilized and/or blighted properties to redevelop with up to 3,000 SF of new development (rather than the proposed limitation of 1,000 SF).
2. Add "Economic Development Projects" to the list of categories that are allowed for floor area allocation within the Outlying Development Areas. By definition, these projects would be "consistent with the City General Plan" and would "strengthen the local or regional economy by either creating new permanent employment opportunities or enhancing the City's revenue base". This will allow the City Council to allocate square-footage to developments that it deems are needed for the City's economic viability over the next 20 years.

#### Downtown Development Areas

1. Allow the City Council to make overriding considerations for project-specific traffic impacts for Economic Development Projects and TEDR Projects proposed in the Downtown Development Area.

Without these revisions, important redevelopment projects that have recently been approved by the City would not be allowed in the future. These include redevelopment of the Turk Hesselland Nursery site on Coast Village Road and the Giovanni's Plaza building at the corner of Cliff Drive and Meigs Road (former gas station site) on the Mesa. The proposed restrictions would impede redevelopment of vacant sites in the Upper State Street area such as the vacant La Sumida Nursery, Mobil Gas Station, and auto dealership parcels.

We urge the Planning Commission to direct staff to incorporate these changes to the Nonresidential Growth Management Program.

Thank you for your consideration of these comments.

Santa Barbara Growth Management Program Stakeholders Group



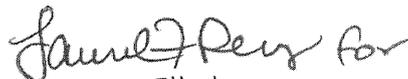
Scott A. Schell  
Associated Transportation Engineers



Lisa Plowman  
Peikert Group Architects



Ken Marshall  
Dudek



Suzanne Elledge  
SEPPS



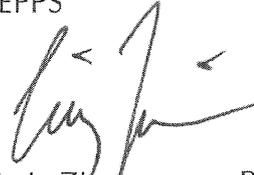
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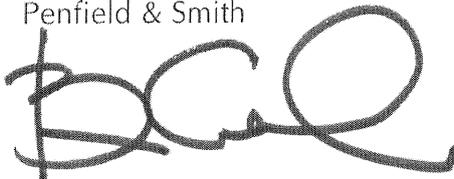
Steve Welton  
SEPPS



Don Donaldson  
Penfield & Smith



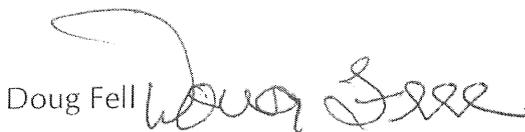
Craig Zimmerman, President  
The Towles Group



Brian Cearnal  
Cearnal Andrulaitis Architecture



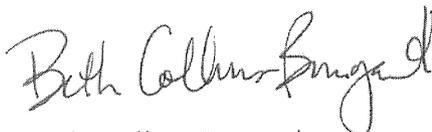
Detty Peikert  
Peikert Group Architects



Doug Fell



Steven Amerikaner



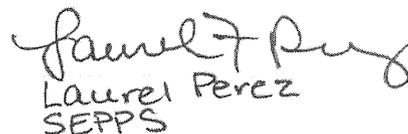
Beth Collins-Burgard



Trish Allen  
SEPPS



David Rundle  
Penfield & Smith



Laurel Perez  
SEPPS

**THE HOROWITZ GROUP**  
**11911 SAN VICENTE BOULEVARD, SUITE 310**  
**LOS ANGELES, CALIFORNIA 90049**  
**(310) 440-7878**

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December 3, 2012

City of Santa Barbara  
Planning Commission  
735 Anacapa Street  
Santa Barbara, CA 93101

Re: 350 Hitchcock Way, Santa Barbara, California

Dear Honorable Planning Commissioners:

My name is Ralph Horowitz. My partners and I have owned the property at 350 Hitchcock Way in Santa Barbara since 2007.

By way of background, I am also one of the owners of the downtown "Ralphs Fresh Fare" market at Carrillo and Chapala (where I successfully brought the first full service grocery store to the downtown area in many decades and did so in lieu of a very large office building that was previously entitled) and an owner of the property located at 220 North Milpas Street (which was previously occupied by Scolari's market and which I am right now redeveloping with another first-in-class grocer called "The Fresh Market").

My property at 350 Hitchcock Way is approximately 5.8 acres and is zoned E3-PD-SD3. It is part of an area created as an "auto dealer zone", and other uses within that zone are very limited.

This property was formerly occupied by a Ford dealership that downsized and relocated elsewhere on Hitchcock Way. I successfully leased the southern half of the property to DCH Lexus, which recently opened for business and is now operating a brand new Lexus dealership in a newly remodeled building on the south half of my property.

The north half of the property is currently vacant. My intention for the full utilization and development of 350 Hitchcock has always been to locate another automobile dealer, and build another first-class dealership showroom on the now-vacant northern half.

The north half of my property is currently developed with approximately fourteen thousand (14,000) square feet of building improvements. Unfortunately, these existing improvements are primarily service bays. Because they lack a permanent wall on a fourth side, from a technical development standpoint, they are essentially deemed not to exist as they do not constitute existing square footage that can be allocated to a new development. In fact, I have only approximately 1,600 square feet on the north half of the property that would qualify for a new dealership showroom or anything else.

Under the new policies that you are reviewing and potentially endorsing on Thursday, subject to finding and transferring existing square footage as discussed below, you are allowing only a 1,000 square foot additional allocation. Obviously, a 2,600 square foot building is grossly inadequate for any automobile dealer's showroom and a property of approximately 2.9 acres (or 126,000 square feet) that is limited to only a 2,600 square foot development is not only grossly underutilized but is rendered of little or no practical or economic value.

Under your proposed ordinance as now drafted, in order to develop any building larger than 2,600 square feet on my property, I would need to identify building square footage that now exists solely within the upper State Street zone and transfer that square footage to my Hitchcock property. The reality is that very little of that square footage is available now or in the foreseeable future. Moreover, even if some as yet unknown and unidentified square footage did become available in the future, there is no assurance that it becomes available (i) coincident with my development that is then planned (thereby allowing me to determine how many existing square feet I might need to acquire and transfer) or (ii) at a price that makes my then-planned development economically feasible). As a result, under your proposed ordinance as now drafted, there exists the very real likelihood that the north half of my property would be forever forced to remain effectively fallow and in its current undesirable condition. Finally, the new policies that you are considering also now, for the first time, prohibit Economic Development square footage from being allocated in this upper State Street zone.

I believe that the dilemma I suffer with respect to my property in this very specific P-D zone is, for the reasons explained above, unique. I therefore respectfully request that you direct staff to create special provisions in this ordinance that will allow the City to implement the following two critical steps:

- First, include a provision in the ordinance that will allow the City to allocate Economic Development square footage to this P-D zone to enable the development of an automobile dealership on this parcel and thereby accomplish the City's goal of fostering a more vibrant automobile dealership zone. This will also allow the City to benefit from the enhanced City tax revenues that will flow from allowing such an allocation. Furthermore, if despite my ongoing best efforts, I am ultimately unsuccessful in locating an automobile dealership, and instead find an alternative use that the City Council finds desirable from an economic development standpoint, allocating Economic Development square footage to this P-D zoned parcel will allow the City to advance its economic development goals by allowing such a development on this P-D zoned property. Absent such a provision, such goals would be thwarted and the City would lack a mechanism to accomplish its development objectives for this property.
- Second, include a provision in the ordinance that will allow the City to make a finding of "overriding consideration" to ensure that ultimately, even if the economic development project results in a traffic impact, the City's desired development goals for this P-D zoned property can be met and the revenue generating potential created as a result of that development is realized.

If the above changes are fully implemented, I would be in support of your proposed ordinance.

Thank you for your consideration.

Respectfully,

  
Ralph Horowitz

**THE HOROWITZ GROUP**  
11911 SAN VICENTE BOULEVARD, SUITE 310  
LOS ANGELES, CALIFORNIA 90049  
(310) 440-7878

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January 25, 2013

City of Santa Barbara  
Ordinance Committee  
735 Anacapa Street  
Santa Barbara, CA 93101

Re: 350 Hitchcock Way, Santa Barbara, California

Dear Honorable Committee Members:

My name is Ralph Horowitz. My partners and I have owned the property at 350 Hitchcock Way in Santa Barbara since 2007.

As a supplement to my December 3, 2012 letter to the Planning Commission, I have attached a portion of Section 28.85.050 of the proposed Ordinance with a proposed modification that is designed to provide the City of Santa Barbara with a pathway for the development of a project on my property that is consistent with the City's present or future economic development goals.

Although I greatly appreciate the inclusion of language that will allow the development of an automobile dealership on my parcel, it is possible that despite my ongoing best efforts in that regard, I will be ultimately unsuccessful in locating an automobile dealership. Instead, at some point in the future I might find an alternative use that the City Council finds desirable from an economic development standpoint. My proposed language would permit the allocation of Economic Development square footage to my P-D zoned parcel and will allow the City to advance its economic development goals by allowing such a development on this P-D zoned property.

In addition, my proposed language will allow the City to make a finding of "overriding considerations" to ensure that ultimately, even if the development project desired by the City results in a traffic impact, the City's desired development goals for this property can be met and the revenue generating potential created as a result of that development be realized.

Thank you for your consideration.

Respectfully,



Ralph Horowitz

ATTACHMENT 1  
ORDINANCE COMMITTEE DISCUSSION DRAFT 1/15/13  
SHOWING CHANGES FROM EXISTING CODE FOR CHAPTER 28.95

B. UPPER STATE STREET, MESA, COAST VILLAGE ROAD, AND RIVIERA DEVELOPMENT AREAS (OUTLYING DEVELOPMENT AREAS). If all of the floor area for a project is proposed from a category or categories of development that are

ATTACHMENT 1  
ORDINANCE COMMITTEE DISCUSSION DRAFT 1/15/13  
SHOWING CHANGES FROM EXISTING CODE FOR CHAPTER 28.95

available for allocation within the development area in which the proposed project is located, the project's contribution to a significant cumulative traffic impact may be overridden. Within the Outlying Development Areas, unless specifically authorized below, a project-specific significant adverse traffic impact cannot be overridden. The following categories of nonresidential development are available for allocation to lots within the Outlying Development Areas:

1. Prior-Approved Projects. Prior-Approved Projects do not require further environmental review.
2. Prior-Pending Projects.
3. Prior-Approved Specific Plan Projects. A Prior-Approved Specific Plan Project that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.
4. Minor Addition Floor Area. A project constructing, adding, or converting Minor Addition Floor Area that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.
5. Vacant Property. A Vacant Property Project that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.
6. Community Priority Projects. A Community Priority Project that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.
7. Transfer of Existing Development Rights (including Hotel Room for Room Replacements), as defined in Section 28.95.020 of this Code, from and to lots within the

ATTACHMENT 1  
ORDINANCE COMMITTEE DISCUSSION DRAFT 1/15/13  
SHOWING CHANGES FROM EXISTING CODE FOR CHAPTER 28.95

same Development Area. No receiving site located in an Outlying Development Area may receive a Transfer of Existing Development Rights from a sending site that is located in another Development Area.

a. A Transfer of Existing Development Rights between lots within the same Development Area that will result in the construction, addition, or conversion of not more than 1,000 square feet of nonresidential floor area over the amount of nonresidential floor area that existed on the receiving lot as of the effective date of this ordinance and that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.

b. All other Transfers of Existing Development Rights (including Hotel Room for Room Replacements) that result in a project-specific significant traffic impact cannot be overridden.

8. Demolition and Reconstruction of Existing Nonresidential Floor Area on the same parcel. The Demolition and Reconstruction of Existing Nonresidential Floor Area on the same lot that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.

9. Government Buildings. A government building that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.

10. Government Displacement Project. A Government Displacement Floor Area Project that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.

11. Hotel Room for Room Replacement. An on-site Hotel Room for Room

ATTACHMENT 1  
ORDINANCE COMMITTEE DISCUSSION DRAFT 1/15/13  
SHOWING CHANGES FROM EXISTING CODE FOR CHAPTER 28.95

Replacement that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.

12. Public Utility Facilities. A Public Utility Facility that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.

 ~~13. Planned Development – New Automobile Sales Project.~~

C. AIRPORT DEVELOPMENT AREA. If all of the floor area for a project is proposed from a category or categories of development that are available for allocation within the development area in which the proposed project is located, the project's contribution to a significant cumulative traffic impact may be overridden. Within the Airport Development Area, unless specifically stated below, a project-specific significant traffic impact may be overridden with the adoption of a Statement of Overriding Considerations. The following categories of nonresidential development are available for allocation to lots within the Airport Development Area:

1. Prior-Approved Projects.
2. Prior-Pending Projects.
3. Prior-Approved Specific Plan Projects.
4. Minor Addition Floor Area.
5. Small Addition Floor Area.
6. Vacant Property.
7. Community Priority Projects.
8. Economic Development Projects.
9. Transfers of Existing Development Rights (including Hotel Room for Room

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13. Planned Development – New Automobile Sales Project. A Planned Development – New Automobile Sales Project that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.

14. Economic Development Project within the E3-PD-SD3 Zone. An Economic Development Project within the E3-PD-SD3 Zone that presents a project-specific significant traffic impact may be approved following the adoption of a Statement of Overriding Considerations.

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADDING CHAPTER 28.85 TO THE SANTA BARBARA MUNICIPAL CODE, DELETING SECTIONS 28.87.300 AND 28.87.350, AND AMENDING SECTIONS 28.95.010 THROUGH 28.95.070 TO IMPLEMENT THE CITY'S 2011 GENERAL PLAN NONRESIDENTIAL GROWTH MANAGEMENT PROGRAM.

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

**SECTION 1.** Title 28 of the Santa Barbara Municipal Code is hereby amended by adding Chapter 28.85 to read as follows:

**Chapter 28.85  
Nonresidential Growth Management Program.**

**Section 28.85.010 Nonresidential Development Limitation.**

No application for a land use permit for a nonresidential construction project, as defined in Section 28.85.020 of this Chapter, will be accepted or approved on or after December 6, 1989 unless all of the new nonresidential floor area within the project is allocated from one or more of the categories specified in this Section and the project is consistent with the City's Traffic Management Strategy (as approved by City Resolution No. \_\_\_ dated as of March 12, 2013 and as filed with the City Clerk) as implemented in Section 28.85.050.

**A. DEVELOPMENT LIMIT.** From the effective date of this ordinance until December 31, 2033, the amount of new nonresidential floor area available for nonresidential construction projects shall be restricted to no more than one million three hundred fifty thousand (1,350,000) square feet. This allowable floor area shall be allocated from the following categories, as defined in Section 28.85.020 of this Chapter:

<u>Category</u>	<u>Square Footage</u>
Community Benefit	
Small Addition Floor Area	600,000 s.f.
Vacant Property	400,000 s.f.

350,000 s.f.

Except as otherwise provided in this Section and as allocated on an annual basis by a resolution of the Planning Commission, Small Additions shall be limited to no more than twenty thousand (20,000) square feet of nonresidential floor area during each calendar year from the effective date of this ordinance through December 31, 2033. Any unused, expired, or withdrawn development square footage remaining from each annual allotment from the Small Additions category may be rolled over to the following year's Small Additions allotment or allocated to another category by a resolution of the Planning Commission. Procedures for allocating square footage under these categories shall be established by resolution of City Council.

**B. NONRESIDENTIAL FLOOR AREA EXCLUDED FROM THE DEVELOPMENT LIMIT.** Nonresidential floor area may be constructed or converted from residential floor area without requiring an allocation from the allowable square footage specified in Subsection A of this Section so long as the nonresidential floor area falls within the following categories, as defined in Section 28.85.020 of this Chapter:

1. City Government Buildings.
2. Government Displacement Floor Area.
3. Hotel Room for Room Replacement.
4. Minor Addition Floor Area.
5. Prior-Pending Projects.
6. Prior-Approved Projects.
7. Prior-Approved Specific Plan Project.
8. Transfers of Existing Development Rights, as defined in Section 28.95.020 of this Code.

**Section 28.85.020 Definitions.**

The following words and phrases shall have the meaning indicated, unless the context or usage clearly requires a different meaning:

**A. COMMUNITY BENEFIT PROJECT.** A project which has been designated by the City Council as satisfying one or more of the following categories is a Community Benefit Project:

1. Community Priority Project. A Community Priority Project is a project that has a broad public benefit, is not principally operated for private profit, and is necessary to meet a present or projected need directly related to public health, safety or general welfare (e.g., museums, childcare facilities, health clinics).

2. Economic Development Project. An Economic Development Project is a project that is consistent with the City Charter, General Plan and this Title, will enhance the standard of living for City and South Coast residents and will strengthen the local or regional economy by either creating new permanent employment opportunities or enhancing the City's revenue base. An Economic Development Project should also accomplish one or more of the following:

a. Support diversity and balance in the local or regional economy by establishing or expanding businesses or industries in sectors which currently do not exist on the South Coast or are present only in a limited manner; or

b. Provide new recreational, educational, or cultural opportunities for City residents and visitors; or

c. Provide products or services which are currently not available or are in limited supply either locally or regionally; or

d. Support a small and local business in the Santa Barbara community which is being started, maintained, relocated, redeveloped or expanded.

For purposes of this Section, "standard of living" is defined as wages, employment, environment, resources, public safety, housing, schools, parks and recreation, social and human services, and cultural arts.

3. Planned Development - New Automobile Sales Project. A Planned Development - New Automobile Sales Project is a project within a Planned Development zone that proposes a project involving new automobile sales, rental and leasing as allowed in Chapter 28.39 of this Code.

**B. DEVELOPMENT AREA.** A Development Area is a portion of the City that the City of Santa Barbara Traffic Model (as approved by the City Council by Resolution No. \_\_\_ dated as of March 12, 2013 and as filed with the City Clerk) has shown to have distinct traffic generation patterns, as identified on the Development Area Map. The City of Santa Barbara Development Areas are shown on the map labeled "Growth Management Program Development Areas" (dated as of March 12, 2013 which map is attached hereto as Exhibit \_\_\_ and as filed with the City Clerk). All notations, references and other information shown on said map are incorporated by reference herein and made a part hereof.

**C. EXISTING NONRESIDENTIAL FLOOR AREA.** Existing Nonresidential Floor Area is nonresidential floor area that existed on a lot as of October 1, 1988 or nonresidential floor

area that was approved and constructed or converted from residential floor area after October 1, 1988 in compliance with, or exempt from, a City development plan or nonresidential growth management program ordinance.

**D. FLOOR AREA.** Floor Area is the area included within the surrounding exterior walls of a building, or a portion thereof, excluding the area occupied by the exterior walls, vent shafts and courts, stairway landings, or areas or structures used exclusively for parking. Enclosed spaces that contain building "infrastructure" (e.g., mechanical equipment enclosures, trash and recycling enclosures, air conditioners, forced air units, electric vaults, water heaters and softeners, cellular telephone equipment, and other similar uses) shall not count toward the calculation of floor area if such areas are designed in the minimum size necessary to screen or enclose such equipment and the space cannot be converted to storage or another non-infrastructure use. The area occupied by an elevator shaft or stairs shall only be counted in the calculation of floor area on one floor. A building, or a portion thereof, occupied exclusively by public utility equipment constitutes floor area for purposes of development plan review, but shall not count toward the calculation of floor area for purposes of the development limit specified in Subsection 28.85.010.A. Any floor area which was constructed, approved, demolished or converted in violation of any provision of this Municipal Code, shall not give rise to any right to rebuild or transfer floor area.

**E. GOVERNMENT BUILDING.** A government building is a building owned or leased by the city of Santa Barbara, excluding buildings or portions of buildings that are leased to private entities conducting non-governmental activities (e.g., the private leaseholds at the Harbor or Airport.)~~:-~~

**F. GOVERNMENT DISPLACEMENT FLOOR AREA.** Government Displacement Floor Area is nonresidential floor area that is constructed or converted from residential floor area to replace nonresidential floor area that was acquired, removed or damaged by direct condemnation or negotiated acquisition by a governmental entity (federal, state or local), provided the nonresidential floor area of the project constructed to replace a building acquired or removed by the government does not exceed the nonresidential floor area of the building so acquired or removed, unless the additional nonresidential floor area is allocated from another available category.

**G. HOTEL ROOM FOR ROOM REPLACEMENT.** A hotel room for room

replacement is a project which consists of the replacement of existing hotel rooms at the same location, or transferred from another location as part of an approved Transfer of Existing Development Rights pursuant to Chapter 28.95 of this Code, on a room for room basis. A hotel room for room replacement does not include nonresidential floor area outside the hotel rooms.

**H. LAND USE PERMIT.** A land use permit is a governmental decision concerning a permit, license, certificate, or other entitlement for use of land, including a conditional use permit, variance, modification, development plan, specific plan, general plan amendment, coastal development permit, conversion permit, subdivision map (except those creating new single family lots), building permit, grading permit, demolition permit, water service connection or any similar approval or use.

**I. MINOR ADDITION FLOOR AREA.** Minor Addition Floor Area is the first 1,000 square feet of new nonresidential floor area, over the amount of nonresidential floor area that existed on the lot as of December 6, 1989. Procedures for allocating and accounting for Minor Addition Floor Area shall be established by resolution of the City Council.

**J. NONRESIDENTIAL CONSTRUCTION PROJECT.** A nonresidential construction project is a project, or portion thereof, which consists of the construction of new nonresidential floor area or the conversion of existing residential floor area to nonresidential use. The repair, replacement, or reconstruction of Existing Nonresidential Floor Area (including existing development rights that are transferred from another site) is not considered new nonresidential floor area for the purpose of the nonresidential development limitation specified in Subsection 28.85.010.A. A nonresidential construction project may occur in the following forms:

1. The addition of new nonresidential floor area to an existing structure; or
2. The construction of new nonresidential floor area in a free standing structure on real property containing another structure; or
3. The construction of new nonresidential floor area as a portion of a mixed use building; or
4. The conversion of residential floor area to nonresidential floor area.
5. A new building on vacant real property that contains nonresidential floor area.

**K. NONRESIDENTIAL FLOOR AREA RATIO.** The Nonresidential Floor Area Ratio of a lot is a ratio of the nonresidential floor area on the lot to the net lot area of the lot.

**L. PRIOR-APPROVED PROJECTS.** A Prior-Approved Project is a project for which a land use permit (other than an application for Specific Plan approval) was approved on or before April 11, 2013 and where the approval remains valid.

**M. PRIOR-APPROVED SPECIFIC PLAN PROJECT.** A Prior-Approved Specific Plan Project is a project that implements a specific plan that was approved prior to April 16, 1986, the specific plan required the construction of substantial circulation system improvements, and the required circulation system improvements were either:

1. Installed prior to April 11, 2013; or
2. Constructed after April 11, 2013 pursuant to an Owner Participation Agreement and installed prior to the approval of any development plan(s) related to the approved specific plan.

**N. PRIOR-PENDING PROJECT.** A Prior-Pending Project is a nonresidential construction project for which an application for a land use permit was deemed complete by the City before April 11, 2013 and the application: i. has not been denied by the City; ii. has not been withdrawn by the applicant; and iii. has not yet received City approval.

**O. SMALL ADDITION FLOOR AREA.** Small Addition Floor Area is the 2,000 square feet of new nonresidential floor area over the amount of nonresidential floor area that existed on the lot on December 6, 1989 and any floor area that has been constructed or approved as Minor Addition Floor Area pursuant to this Chapter or any preceding development plan ordinance since December 6, 1989. Procedures for allocating Small Addition Floor Area shall be established by resolution of the City Council.

**P. VACANT PROPERTY.** A Vacant Property is a lot of land that was not developed with a permanent building containing floor area as of October 1, 1988 and has not since been developed with any permanent building containing floor area. A vacant property may be allocated new nonresidential floor area from the Vacant Property category up to a maximum nonresidential floor area ratio of .25. Any nonresidential development proposed for the lot over the .25 floor area ratio must be allocated from another development category available for allocation on the lot.

#### **Section 28.85.030 Development Plan Review Procedures.**

**A. DEVELOPMENT PLAN APPLICATION SUBMISSION.** Before any project requiring approval of a development plan pursuant to this Chapter is hereafter permitted in any zone, including zones at the Santa Barbara Municipal Airport, a complete development

plan application for the proposed development shall be submitted to the Community Development Department for review and consideration in accordance with the provisions of this Chapter.

**B. REVIEW BY PRE-APPLICATION REVIEW TEAM.** All nonresidential construction projects involving the construction, addition, or conversion of more than 3,000 square feet of nonresidential floor area and all transfers of existing development rights, regardless of size, shall be reviewed by the Pre-Application Review Team as provided in Section 27.07.070 of this Code.

**C. DEVELOPMENT PLAN APPROVAL REQUIREMENTS.** Except as otherwise specified in this Subsection C, all nonresidential construction projects and all Transfers of Existing Development Rights require approval of a Development Plan.

1. Design Review Approval. Any nonresidential construction project that involves the construction, addition, or conversion of more than one thousand (1,000) square feet of new nonresidential floor area and not more than three thousand (3,000) square feet of new nonresidential floor shall require approval of the design of a development plan from the Architectural Board of Review, or from the Historic Landmarks Commission if the property is located within El Pueblo Viejo Landmark District or another landmark district, or if the structure is a designated City Landmark.

2. Staff Hearing Officer Approval. Any nonresidential construction project that involves the construction, addition, or conversion of more than one thousand (1,000) square feet of new nonresidential floor area and not more than three thousand (3,000) square feet of new nonresidential floor area and which also requires approval of a City discretionary land use permit from the Staff Hearing Officer shall require approval of a development plan from the Staff Hearing Officer.

3. Planning Commission Approval. The following projects shall require approval of a development plan from the Planning Commission:

a. Any nonresidential construction project (including a public utility facility) that involves the construction, addition, or conversion of more than three thousand (3,000) square feet of new nonresidential floor area, or

b. Any transfer of existing development rights that involves the construction, addition, or conversion of more than one thousand (1,000) square feet of nonresidential floor area (as an aggregate total of all development categories) on the receiving site, or

c. Any nonresidential construction project that involves the construction, addition, or conversion of more than one

thousand (1,000) square feet of new nonresidential floor area and not more than three thousand (3,000) square feet of new nonresidential floor area and which requires approval of another land use permit from the Planning Commission shall require approval of a development plan from the Planning Commission.

d. Notwithstanding the review assignments specified in Paragraphs 1 and 2 above, any nonresidential construction project or transfer of existing development rights that requires the preparation of an Environmental Impact Report shall be reviewed by the Planning Commission.

4. Exceptions. Unless the project requires the preparation of an Environmental Impact Report, the following projects do not require the approval of a development plan:

a. A nonresidential construction project that involves the construction, addition, or conversion of not more than 1,000 square feet of nonresidential floor area (as an aggregate total of all development categories), or

b. A Transfer of Existing Development Rights that involves the construction, addition, or conversion of nonresidential floor area so long as the project will not result in more than 1,000 square feet of nonresidential floor area over the amount of nonresidential floor area that existed on the lot as of April 11, 2013. This exception is not available for a Transfer of Existing Development Rights that involves the transfer of a hotel room on a room-for-room basis.

*[Editorial Comment - Not Part of the Ordinance. The following is an excerpt from Section 28.87.300 of the Municipal Code. Section 28.87.300 is proposed to be deleted in its entirety. This excerpt is included to show the City Council how the Standards of Review are being amended in the proposed new Section 28.85.040 which follows.]*

~~D. STANDARDS FOR REVIEW. Unless specifically exempt, the following findings shall be made in order to approve a development plan submitted pursuant to this Section.~~

~~1. Findings:~~

~~a. The proposed development complies with all provisions of this Title; and~~

~~b. The proposed development is consistent with the principles of sound community planning; and~~

~~c. The proposed development will not have a significant adverse impact upon the neighborhood's aesthetics/character in that the size, bulk or scale of the development will be~~

compatible with the neighborhood; and

d. The proposed development will not have a significant unmitigated adverse impact upon City and South Coast affordable housing stock; and

e. The proposed development will not have a significant unmitigated adverse impact on the City's water resources; and

f. The proposed development will not have a significant unmitigated adverse impact on the City's traffic; and

g. Resources will be available and traffic improvements will be in place at the time of project occupancy.

2. Potential for Overriding Considerations:

a. A finding of significant adverse impact under Subparagraph 1.c above can be overridden if it is determined that the economic, social or public benefits of the proposed development outweigh its significant adverse impacts.

b. A finding of significant adverse impact under Subparagraphs 1.a or 1.b above cannot be overridden.

c. A finding of unmitigated significant adverse impact under Subparagraphs 1.d, 1.e, 1.f, or 1.g above for a Minor Addition Project, Government Displacement Project or that portion of a project which qualifies as a Government Displacement Project, a Community Priority Project, and an Approved Project or Revision thereto can be overridden if it is determined that the benefits of the proposed development outweigh its significant adverse impacts.

3. Exception. Notwithstanding any provision of this Section to the contrary, a development plan shall not be denied based on a finding pursuant to Subparagraph 1.d of this Subsection E if (i) the plan incorporates revisions to a development plan approved by the Planning Commission under this Section prior to February 25, 1988, and (ii) the project shown on the plan will not generate a demand for new housing in excess of the demand generated by the previously approved project.

**Section 28.85.040 Standards for Review - Development Plans.**

The following findings shall be made prior to approving any development plan pursuant to this Chapter:

A. The proposed development complies with all provisions of this Title; and

B. The proposed development is consistent with the principles of sound community planning; and

C. The proposed development will not have a significant adverse impact upon the community's aesthetics or character in

that the size, bulk or scale of the development will be compatible with the neighborhood based on the Project Compatibility Analysis criteria found in Sections 22.22.145 or 22.68.045 of this Code; and

D. The proposed development is consistent with the policies of the City of Santa Barbara Traffic Management Strategy (as approved by City Resolution No. \_\_\_ dated as of March 12, 2013) as expressed in the allocation allowances specified in SBMC Section 28.85.050.

**Section 28.85.050 Traffic Management Strategy.**

In order to utilize the City's existing transportation capacity efficiently and to prioritize constrained transportation capacity for high priority land uses, the City has established a Traffic Management Strategy (as approved by City Resolution No. \_\_\_ dated as of March 12, 2013.) In furtherance of the Traffic Management Strategy and recognizing the differential rates of traffic generation observed in the City of Santa Barbara Traffic Model methodology (as used in connection with the preparation of the General Plan FEIR) between the different Development Areas, only certain categories of nonresidential development are available for allocation within the Development Areas identified in this Section.

**A. DOWNTOWN DEVELOPMENT AREA.** If all of the floor area for a project is proposed from a category or categories of development that are available for allocation within the development area in which the proposed project is located, the project's contribution to a potentially significant adverse cumulative traffic impact may be overridden by the Planning Commission. Within the Downtown Development Area, unless specifically authorized below, a project-specific potentially significant adverse traffic impact cannot be overridden by the Planning Commission. The following categories of nonresidential development are available for allocation to lots within the Downtown Development Area:

1. Prior-Approved Projects. Prior-Approved projects do not require further environmental review.

2. Prior-Pending Projects.

3. Prior-Approved Specific Plan Projects. A Prior-Approved Specific Plan Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

4. Minor Addition Floor Area. A project constructing,

adding, or converting Minor Addition Floor Area that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

5. Small Addition Floor Area.

6. Vacant Property. A Vacant Property Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

7. Community Priority Projects. A Community Priority Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

8. Economic Development Projects.

9. Transfers of Existing Development Rights (TEDR), as defined in Section 28.95.020 of this Code, from any Development Area.

a. A Transfer of Existing Development Rights between lots within the same Development Area that will result in the construction, addition, or conversion of not more than 1,000 square feet of nonresidential floor area over the amount of nonresidential floor area that existed on the receiving lot as of the effective date of this ordinance and that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

b. All other Transfers of Existing Development Rights (including Hotel Room for Room Replacements) that result in a project-specific potentially significant adverse traffic impact cannot be overridden.

10. Hotel Room for Room Replacement. An on-site Hotel Room for Room Replacement that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

11. Demolition and Reconstruction of Existing Nonresidential Floor Area on the same lot. The Demolition and Reconstruction of Existing Nonresidential Floor Area on the same lot that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning

Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

12. City Government Buildings. A government building project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

13. Government Displacement Floor Area. A Government Displacement Floor Area Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

14. Public Utility Facilities. A Public Utility Facility that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

**B. UPPER STATE STREET, MESA, COAST VILLAGE ROAD, AND RIVIERA DEVELOPMENT AREAS (OUTLYING DEVELOPMENT AREAS).** If all of the floor area for a project is proposed from a category or categories of development that are available for allocation within the development area in which the proposed project is located, the project's contribution to a significant cumulative traffic impact may be overridden. Within the Outlying Development Areas, unless specifically authorized below, a project-specific potentially significant adverse traffic impact cannot be overridden by the Planning Commission. The following categories of nonresidential development are available for allocation to lots within the Outlying Development Areas:

1. Prior-Approved Projects. Prior-Approved Projects do not generally require further environmental review.

2. Prior-Pending Projects.

3. Prior-Approved Specific Plan Projects. A Prior-Approved Specific Plan Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

4. Minor Addition Floor Area. A project constructing, adding, or converting Minor Addition Floor Area that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the

manner authorized by C.E.Q.A.

5. Vacant Property. A Vacant Property Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

6. Community Priority Projects. A Community Priority Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

7. Transfer of Existing Development Rights (including Hotel Room for Room Replacements), as defined in Section 28.95.020 of this Code, from and to lots within the same Development Area. No ~~r~~Receiving ~~s~~site located in an Outlying Development Area may receive a Transfer of Existing Development Rights from a sending site that is located in another Development Area.

a. A Transfer of Existing Development Rights between real properties within the same Development Area that will result in the construction, addition, or conversion of not more than 1,000 square feet of nonresidential floor area over the amount of nonresidential floor area that existed on the receiving lot as of April 11, 2013 and that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

b. All other Transfers of Existing Development Rights (including Hotel Room for Room Replacements) that result in a project-specific potentially significant adverse traffic impact cannot be overridden by the Planning Commission.

8. Demolition and Reconstruction of Existing Nonresidential Floor Area on the same parcel. The Demolition and Reconstruction of Existing Nonresidential Floor Area on the same lot that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

9. Government Buildings. A government building that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

10. Government Displacement Project. A Government

Displacement Floor Area Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

11. Hotel Room for Room Replacement. An on-site Hotel Room for Room Replacement that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

12. Public Utility Facilities. A Public Utility Facility that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

13. Planned Development – New Automobile Sales Project. A Planned Development-New Automobile Sales Project that presents a project-specific potentially significant adverse traffic impact may be approved by the Planning Commission following the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A.

**C. AIRPORT DEVELOPMENT AREA.** If all of the floor area for a project is proposed from a category or categories of development that are available for allocation within the development area in which the proposed project is located, the project's contribution to a significant cumulative **adverse** traffic impact may be overridden by the Planning Commission. Within the Airport Development Area, unless specifically stated below, a project-specific potentially significant adverse traffic impact may be overridden by the Planning Commission with the adoption of a Statement of Overriding Considerations in the manner authorized by C.E.Q.A. The following categories of nonresidential development are available for allocation to real properties within the Airport Development Area:

1. Prior-Approved Projects.
2. Prior-Pending Projects.
3. Prior-Approved Specific Plan Projects.
4. Minor Addition Floor Area.
5. Small Addition Floor Area.
6. Vacant Property.
7. Community Priority Projects.
8. Economic Development Projects.
9. Transfers of Existing Development Rights (including Hotel Room for Room Replacements), as defined in Section

28.95.020 of this Code, from and to lots within the Airport Development Area are available for allocation. No Receiving Site located in the Airport Development Area may receive a Transfer of Existing Development Rights (including Hotel Room for Room Replacements) from a Sending Site that is located in another Development Area.

10. Demolition and Reconstruction of Existing Nonresidential Floor Area on the same lot.

11. Government Buildings.

12. Government Displacement Projects.

13. Public Utility Facilities.

**Section 28.85.060 Development Plan Notice and Hearing.**

If a nonresidential construction project or transfer of existing development rights requires the approval of a development plan by the Architectural Board of Review, Historic Landmarks Commission, Staff Hearing Officer, Planning Commission, or the City Council on appeal, the Architectural Board of Review, Historic Landmarks Commission, Staff Hearing Officer, Planning Commission, or City Council shall hold a public hearing prior to taking action on any development plan. Notice of the public hearing shall be given in accordance with Section 28.87.380.

**Section 28.85.070 Appeals.**

A decision by the Architectural Board of Review, the Historic Landmarks Commission, or the Planning Commission under this Chapter may be appealed according to the provisions of Chapter 1.30. A decision by the Staff Hearing Officer under this Chapter may be appealed according to the provisions of Section 28.05.020 of this Code.

**Section 28.85.080 Fees.**

Fees for filing applications and appeals in accordance with this Chapter shall be established by resolution of the City Council.

**Section 28.85.090 Development Plan Time Limits.**

Subject to the adjustments for projects with multiple approvals specified in Section 28.87.370 of this Code, development plan approvals shall have the following time limits:

**A. TIME LIMIT.** A development plan approved pursuant to any provision of this Title shall expire four (4) years from the date of its approval, except as otherwise provided herein. No building or grading permit for any work authorized by a development plan shall be issued following expiration of that plan.

**B. CONDITIONS.** Any condition imposed on a development plan may, in the discretion of the body approving the development plan, also constitute (i) a condition to the issuance of and continued validity of any building or grading permit issued to implement that development plan, (ii) a condition to the issuance of the certificate of occupancy with respect to any improvements authorized by the development plan and (iii) if recorded with the County Recorder, to the continued validity of the certificate of occupancy. Violation of any such condition shall be grounds for suspension or revocation of any building or grading permit or certificate of occupancy issued with respect to the development plan.

**C. EXTENSION OF TIME PERIOD.** Upon application of the developer filed prior to the expiration of the development plan, the time at which the development plan expires may be extended by the Community Development Director for one (1) year. An extension of the expiration date of a development plan shall be granted if it is found that there has been due diligence to implement and complete the proposed project as substantiated by competent evidence in the record.

**D. SUSPENSION OF TIME DURING MORATORIUM.** The period of time specified in Subsection A, including any extension thereof granted pursuant to Subsection C, shall not include any period of time during which a moratorium, imposed after approval of the development plan, is in existence, provided however, that the length of the moratorium does not exceed five (5) years. For purposes of this Subsection, a development moratorium shall include (i) a water or sewer moratorium, (ii) a water and sewer moratorium, and (iii) a building or grading permit moratorium, as well as other actions of public agencies which regulate land use, development, or the provision of services to the land other than the City, which thereafter prevents, prohibits, or delays the completion of the development. Once a moratorium is terminated, the development plan shall be valid for the same period of time as was left to run on the development plan at the time that the moratorium was imposed. However, if the remaining time is less than 120 days, the development plan shall be valid for 120 days following the termination of the moratorium.

**E. SUSPENSION OF TIME DURING LITIGATION.** The period of time

specified in Subsection A, including any extension thereof granted pursuant to Subsection C, shall not include the period of time during which a lawsuit involving the approval of the development plan or related approvals is or was pending in a court of competent jurisdiction. After service of the initial petition or complaint in the lawsuit upon the City, the applicant may advise the City of the need for a litigation tolling stay pursuant to the City's adopted procedures.

**F. DEVELOPMENT PLANS ALREADY APPROVED.**

1. Beginning Date – Development Plan Approvals. The adoption of this ordinance shall not alter the date of approval of a Development Plan approved prior to the adoption of this ordinance.

2. Specific Plan Development Plan Approvals. For the purposes of calculating the expiration date of a Specific Plan project Development Plan approved in accordance with Santa Barbara Municipal Code Chapter 29.30, Development Plan approvals shall be deemed to expire eight (8) years after the date of the final City action approving the project Development Plan and shall include any related project approvals or modifications granted by the City in connection therewith.

**G. DISPOSITION OF FLOOR AREA ALLOCATED TO EXPIRED PROJECTS.**

For projects with floor area allocated from the Small Addition category, the unused floor area shall be made available for allocation to Small Addition or Community Benefit Projects, as determined by Planning Commission Resolution, upon expiration of the development plan. For projects with floor area allocated from the Community Benefit and Vacant Property categories, the unused floor area shall revert to the category from which the floor area was allocated upon expiration of the development plan. Floor area that was excluded from the development limit specified in Section 28.85.010 under the Prior-Approved or Prior-Pending categories shall expire upon expiration of the project's Development Plan and shall not be available for another allocation.

**Section 28.85.100 Multiple Development Plans.**

When more than one valid approved development plan exists for a lot, upon issuance of a building or grading permit for any work authorized by one of the approved development plans, all other development plans approved for that lot are deemed abandoned by the property owner. No building or grading permit shall be issued for any work authorized by a development plan following abandonment of that plan. For projects with floor

area allocated from the Small Addition category, any unused floor area shall be made available for allocation to the Small Addition category or the Community Benefit Project category upon abandonment of a development plan. For projects with floor area allocated from the Community Benefit and Vacant Property categories, any unused floor area shall revert to the category from which the floor area was allocated upon abandonment of a development plan.

**SECTION 2.** Section 28.87.300 of Chapter 28.87 of Title 28 of the Santa Barbara Municipal Code is repealed in its entirety.

**SECTION 3.** Section 28.87.350 of Chapter 28.87 of Title 28 of the Santa Barbara Municipal Code is repealed in its entirety.

**SECTION 4.** Sections 28.95.010 through 28.95.070 of Chapter 28.95 of Title 28 of the Santa Barbara Municipal Code are hereby amended to read as follows:

**Section 28.95.010 Purposes.**

A. To ensure a strong economy by providing a voluntary mechanism which would allow the transfer of existing nonresidential development rights from certain properties to certain other properties within the City, thereby encouraging economic vitality.

B. To encourage new development, but not new floor area, in a manner consistent with [Charter Section 1508the City Nonresidential Growth Management Program Ordinance \(S.B.M.C. Chapter 28.85\) and Traffic Management Strategy \(as approved by City Resolution No. \\_\\_\\_ and dated as of March 12, 2013.\)](#)

C. To promote the efficient use of under used space, and creative re-use of existing buildings.

D. To encourage uses compatible with surrounding areas.

E. To provide flexibility and opportunities for redirecting growth within the growth cap.

F. To encourage the development of a balanced community with economic diversity.

G. To stimulate revitalization of existing commercial areas of the City.

H. To accommodate large scale development that is consistent with [Charter Section 1508the City Nonresidential Growth Management Program Ordinance \(S.B.M.C. Chapter 28.85\) and](#)

Traffic Management Strategy (as approved by City Resolution No. \_\_\_ and dated as of March 12, 2013.)-

I. To encourage the construction of housing.

## **28.95.020 Definitions.**

A. Existing Development Rights consist of the following:

1. Existing Floor Area. The amount of nonresidential floor area of existing structures on a sending site; and

2. Approved Floor Area. Nonresidential floor area which has received all discretionary approvals from the City prior to the date of application for a transfer, provided that none of those approvals has expired prior to the date of such application; and

3. Demolished Floor Area. Nonresidential floor area of a structure, demolished after October 1988 and not subsequently reconstructed, and

4. Converted Floor Area. Nonresidential floor area of a structure, which has been permanently converted from nonresidential use to a residential use after October 1988.

Existing Development Rights may be aggregated from the above four categories but not so as to increase floor area above the amount allowed by Charter Section 1508 and its implementing ordinances the City Nonresidential Growth Management Program Ordinance (S.B.M.C. Chapter 28.85).

A transfer of Existing Development Rights shall transfer to the receiving site only nonresidential floor area governed by City Charter Section 1508 and implementing ordinances regulated by the City Nonresidential Growth Management Program Ordinance (S.B.M.C. Chapter 28.85), and shall not transfer any other right, permit or approval. A transfer of Existing Development Rights shall not transfer credit for resource use by existing development on the sending site to the receiving site for purposes including but not limited to environmental review, development fees, or conditions of approval. The traffic impacts of a proposed transfer of Existing Development Rights shall be analyzed using the approved "City of Santa Barbara Traffic Model" as such Model has most recently been approved by a resolution of the City Council. Existing Development Rights shall be measured in square feet of floor area, except that hotel and motel rooms may be measured by room when Existing Development Rights are developed as hotel or motel rooms on the receiving site, and in all other cases shall be measured in square feet of floor area. Hotel and motel rooms which are approved and not developed but not constructed at the time of

transfer approval shall be measured only in square feet of floor area.

B. Floor Area. "Floor area" is defined in Section ~~28.87.300.B.4~~28.85.020.

C. Hotel or Motel Room. A hotel or motel room includes only that floor area within the walls of rooms let for the exclusive use of individuals as a temporary abiding place, and does not include any other areas. No replacement room shall be designed for rental or rented as more than one separate accommodation.

D. Nonresidential Floor Area. Floor area is "nonresidential" if the Community Development Director determines that the floor area was used exclusively for nonresidential purposes in October, 1988; or that the floor area was vacant in October of 1988 and the ~~latest~~last use of the floor area prior to the proposed transfer was nonresidential ~~in nature~~; or that the floor area was approved for nonresidential purposes as described in Paragraph A.2 above.

E. Receiving Site. A site to which Existing Development Rights are transferred.

F. Sending Site. A site from which Existing Development Rights are transferred.

G. Transfer of Existing Development Rights. The transfer of Existing Development Rights as defined in Subsection A above from a sending site to a receiving site. Existing Development Rights may be transferred by sale, exchange, gift or other approved legal means, but such transfer shall not be effective until the ~~Planning Commission, or City Council on appeal, City~~ has approved the transfer in accordance with the provisions of this Chapter and the City's Nonresidential Growth Management Program, as specified in S.B.M.C. Chapter 28.85, and the conditions of the transfer have been duly satisfied.

### **Section 28.95.030                      Approval of Transfer of Existing Development Rights.**

A. Application Review. The application(s) and supporting documentation submitted by the applicant(s) shall be reviewed by the Community Development Department. If the application(s) for processing are determined to be complete by the Community Development Department, the applicant(s) shall proceed in accordance with the standard application process in place at the time of submittal.

B. Transfer Approval. Existing Development Rights may be transferred from ~~s~~Sending ~~s~~Site(s) to ~~r~~Receiving ~~s~~Site(s)

pursuant to the provisions of this Chapter and any guidelines adopted by a resolution of the City Council ~~resolution pursuant to in order to effectuate the purposes of~~ this Chapter. ~~Development plan proposals for the sending site(s) and the receiving site(s) shall receive a single transfer approval, in addition to all other discretionary approvals required, and shall be considered one "project" for purposes of environmental analysis.~~

After approval, any change in the project, at either the ~~s~~Sending ~~s~~Site(s) or ~~r~~Receiving ~~s~~Site(s) which is not determined by the Planning Commission and/or the Community Development Director to be in substantial conformity with the approved project, shall be a new project and require a new application, review, and approval and/or disapproval. No transfer or receipt of Existing Development Rights shall be valid or effective unless the transfer and receipt, and development plans for both the ~~s~~Sending ~~s~~Site(s) and ~~r~~Receiving ~~s~~Site(s), comply with all requirements of this Municipal Code and have been reviewed and approved by the City in accordance with the provisions of this Chapter and the City's Nonresidential Growth Management Program, as specified in S.B.M.C. Chapter 28.85, Planning Commission, or City Council on appeal, and all applicable conditions to the transfer have been satisfied.

C. Community Priorities. Any Existing Development Rights approved as a community priority on a sending site may be transferred only if the new development on the receiving site is also approved as a community priority.

D. Multiple Sending and Receiving Sites. Existing Development Rights may be transferred from more than one sending site to a single receiving site. Existing Development Rights may be transferred from one sending site to more than one receiving site.

E. Compliance with Approved Traffic Management Strategy. Every transfer of Existing Development Rights must comply with the City's Council-approved Traffic Management Strategy as implemented in Section 28.85.050 of this Code. Any Existing Development Rights proposed for transfer must qualify for allocation at the Receiving Site.

**Section 28.95.040 Amount of Existing Development Rights That Can Be Transferred from a Sending Site to a Receiving Site.**

A. The total amount of Existing Development Rights that can be

transferred to a receiving site is subject to the applicable zoning of that receiving site, provisions of the Municipal Code, and any and all other applicable City rules and regulations.

B. The total amount of Existing Development Rights that can be transferred from a sending site is equal to the difference between the eliminated floor area on the sending site and the floor area of all nonresidential structures constructed or proposed to be constructed on the sending site.

#### **Section 28.95.050 Development Plan Approval.**

The following Transfers of Existing Development Rights must receive Development Plan approval by the Planning Commission, or the City Council on appeal:

A. Any transfer of more than 1,000 square feet of Existing Development Rights from a sending site,

B. Any transfer that involves the transfer of a hotel room on a room-for-room basis, and

C. ~~a~~Any project using that is constructing, adding, or converting more than 1,000 square feet of nonresidential floor area on a Receiving Site and which includes any amount of transferred Existing Development Rights ~~must receive development plan approval by the Planning Commission, or the City Council on appeal.~~ Once a Development Plan is approved for a Sending Site, the Sending Site Development Plan approval may be used for subsequent transfers of Existing Development Rights from the Sending Site as long as the Community Development Director determines that the condition of the Sending Site following such subsequent transfers will substantially conform to the original Development Plan approval.

#### **Section 28.95.060 Review and Findings.**

The Planning Commission, or the City Council on appeal, shall review each application for a transfer of Existing Development Rights and shall not approve any such transfer unless it finds that:

A. The proposed development plans for both the Sending and Receiving Sites are consistent with the goals and objectives of the General Plan of the City of Santa Barbara and the Municipal Code; and

B. The proposed developments will not be detrimental to the site(s), neighborhood or surrounding areas; and

C. The floor area of proposed nonresidential development on the Receiving Site does not exceed the sum of the amount of

Existing Development Rights transferred when added to the amount of Existing Development Rights on the Receiving Site, and does not exceed the maximum development allowed by the applicable zoning of the Receiving Site.

D. Each of the proposed nonresidential developments on the respective Sending Site(s) and Receiving Site(s) will meet all standards for review as set forth in Section ~~28.87.300.E~~ 28.85.040 of the Municipal Code and all provisions of this Chapter, and will comply with any additional specific conditions for a transfer approval.

E. Development remaining, or to be built, on a Sending Site is appropriate in size, scale, use, and configuration for the neighborhood and is beneficial to the community.

### **Section 28.95.070 Conditions of Approval.**

A. The Planning Commission, or the City Council on appeal, shall require conditions of Development Plan approval for plans submitted for Sending and Receiving Sites. Conditions may include, but are not limited to a development agreement, as defined in State law, executed by the City and the Sending Site owner or the Receiving Site owner, or both. The Planning Commission, or the City Council on appeal, may impose other conditions and restrictions upon the proposed Development Plans and transfer approval consistent with the General Plan and may require security to assure performance of all conditions and restrictions.

B. The Planning Commission, or City Council on appeal, shall require, as conditions of Development Plan approval for plans submitted for the Sending and Receiving Sites that:

1. Whenever a Sending Site owner is required by this Chapter to offer to dedicate the Sending Site to the City or other governmental entity approved by the City, and the floor area to be transferred will be eliminated by demolition, a Sending Site owner shall make such offer prior to issuance of a demolition permit for the Sending Site. If the City or other governmental entity approved by the City rejects said offer of dedication, the Planning Commission approval iswill be considered null and void; and

2. Any Existing Development Rights, measured in square feet of floor area, and/or number of hotel or motel rooms when appropriate, and whether such Existing Development Rights derive from existing, approved, demolished or converted floor area, shall be clearly and accurately designated on both the Sending and Receiving Site Development Plans; and

3. Prior to issuance of any necessary permit relating to any Existing Development Rights approved for transfer from a Sending Site, the option, deed, easement, covenant, or other legal instrument by which the existing development rights are being transferred, and proof of recordation of the Development Plan for both Sending and Receiving Sites shall be reviewed and approved by the Community Development Director.

4. Proof of the elimination of the transferred floor area from the Sending Site must be reviewed and approved by the Community Development Director prior to recordation of the approved instrument of transfer. The City shall be a party to the instrument of transfer in a manner acceptable to the City Attorney; and

5. Prior to the issuance of any building permit for the project proposed on the Receiving Site pursuant to this Chapter, proof of recordation of the transfer instrument, and proof of elimination of the Existing Development Rights on the Sending Site shall be accepted as satisfactory by the Community Development Director.

C. The Community Development Director, or the Director's designee, shall require the satisfaction of the following conditions prior to the issuance of any necessary permit relating to any transfer of existing development rights that did not require the approval of the development plan pursuant to this Chapter or Chapter 28.85:

1. Whenever a Sending Site owner is required by this Chapter to offer to dedicate the Sending site to the City or other governmental entity approved by the City, and the floor area to be transferred will be eliminated by demolition, a Sending Site owner shall make such offer prior to issuance of a demolition permit for the Sending Site. If the City or other governmental entity approved by the City rejects said offer of dedication, the transfer will be considered null and void; and

2. Any Existing Development Rights, measured in square feet of floor area, and whether such Existing Development Rights derive from existing, approved, demolished or converted floor area, shall be clearly and accurately designated on both the Sending and Receiving Site Development Plans; and

3. The option, deed, easement, covenant, or other legal instrument by which the existing development rights are being transferred shall be reviewed and approved by the Community Development Director and the City Attorney as to form. The City shall be a party to the instrument of transfer; and

4. Proof of the elimination of the transferred floor area

from the Sending Site must be reviewed and approved by the Community Development Director prior to recordation of the approved instrument of transfer; and

5. Proof of recordation of the transfer instrument, and proof of elimination of the Existing Development Rights on the Sending Site shall be accepted as satisfactory by the Community Development Director.

**SECTION 5.** The City Clerk is hereby authorized to amend various references to the prior Section 28.87.300 found throughout Titles 28 and 29 to reference the new Chapter 28.85 as approved by the City Attorney.

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA ADOPTING AMENDED ADMINISTRATIVE PROCEDURES FOR THE IMPLEMENTATION OF THE GENERAL PLAN GROWTH MANAGEMENT PROGRAM AND THE ADOPTION OF THE CITY TRAFFIC MANAGEMENT STRATEGY AND RESCINDING RESOLUTION NO. 12-075

WHEREAS, in 1989, the City Council placed a nonresidential growth limitation City Charter initiative measure before City voters as ballot Measure E, which measure was approved and incorporated into the City Charter as Charter Section 1508, and which limited nonresidential growth within the City to not more than three million square feet until 2010.

WHEREAS, on February 12, 1991, the City Council adopted amendments to the City's Zoning Ordinance as well as a Resolution to implement the non-residential growth limitations of Charter Section 1508.

WHEREAS, in 2005, the City Council initiated the update to the City's General Plan including an updated Land Use element to specifically address the expiration of Charter Section 1508, and to determine future nonresidential growth within the City.

WHEREAS, on July 14, 2009 and November 20, 2012, the City Council adopted ordinances to amend Section 28.87.300 of the Municipal Code extending the regulations relating to nonresidential growth management through January 1, 2014. The City Council extended Section 28.87.300 for the purpose of maintaining the status quo concerning nonresidential growth management until the completion of the updated General Plan and to allow for the orderly implementation of policies regarding nonresidential growth management.

WHEREAS, on January 1, 2010, Charter Section 1508 expired according to its own terms.

WHEREAS, on December 1, 2011, the City Council adopted the update to the General Plan with growth limitation for the next 20 years (hereinafter "the Growth Management Program"), along with goals, policies and standards to implement the Growth Policies Management Program considering the Santa Barbara's community's values of "living within our resources."

WHEREAS, the updated General Plan includes Policy LG2, Limit Nonresidential Growth, that limits most new nonresidential floor area to 1.35 million square feet over the 20 year life of the General Plan excluding Prior-Pending projects, Prior-Approved projects, Government buildings, Minor Additions and the demolition and replacement of existing square footage from the development limitation.

WHEREAS, General Plan Policy LG2 includes Council implementation actions that necessitate updating the City's Development Plan Ordinance (SBMC § 28.87.300) and Transfer of Existing Development Rights Ordinance (SBMC Chapter 28.95) in order to continue to limit nonresidential growth (LG2.1), establish required findings for

new development approvals (LG2.3) and consider the disposition of future demolished nonresidential square footage (LG2.4) that is not rebuilt on site.

WHEREAS, the updated General Plan includes policies (referred to in the General Plan as “Principles for Development”) to focus growth in the Downtown, encourage a mix of land uses, strengthen mobility options, and promote healthy active living, including encouraging a mix of land uses, particularly Downtown, in order to maintain the Downtown’s strength as a viable commercial, retail, residential, and workplace center.

WHEREAS, one of the key tenets of the General Plan is for the remaining increment of development to occur within commercial and multi-family districts where more resources may be available and where the use of alternative modes of transportation in order to minimize congestion may be possible.

WHEREAS, a Final Program Environmental Impact Report (FEIR) was certified by the City Council in September of 2010 and December 2011 for the General Plan. The FEIR assessed Citywide impacts associated with 2,178,202 square feet of nonresidential development. Subsequently, an Addendum to the FEIR analyzed a revised lower growth management program of 1.85 million square feet of nonresidential development (addressing up to 1.35 million square feet within the growth limitation policy and 0.5 million square feet for excluded uses). The FEIR and Addendum evaluated the potential environmental effects from citywide development under General Plan Update policies over the twenty-year Plan horizon.

WHEREAS, the FEIR and Addendum concluded that even with identified mitigation measures, unavoidable significant impacts associated with increased traffic congestion and greenhouse gas generation would occur by 2030 as a result of potential new development under the City’s General Plan policies.

WHEREAS, on September 18, 2012, the City Council adopted the City’s “Climate Action Plan.” An Addendum to the FEIR was prepared to document the Climate Action’s Plan updated greenhouse gas emissions analysis, which showed that Citywide greenhouse gas emissions would be lower than earlier identified in the FEIR and would meet the required State target, thereby constituting a less than significant impact.

WHEREAS, the FEIR identified that the increase of vehicle trips associated with the potential development under the General Plan would increase the number of intersections exceeding the City’s level of service standard from 13 to up to as many as from 20 to 26 intersections.

WHEREAS, the City Council approved the General Plan Update and adopted a Statement of Overriding Considerations in the manner required by CEQA finding that the anticipated cumulative traffic impacts of the General Plan Update to be acceptable given the benefits of the Plan.

WHEREAS, new development within the City will contribute to the identified cumulative traffic impact, and the previous finding required for Development Plan

approval – i.e., that “The proposed development will not have a significant unmitigated adverse impact on the City’s Traffic; and resources will be available and traffic improvements will be in place at the time or project’s occupancy” is now proposed to be replaced. A new Traffic Management Strategy is necessary to manage and track traffic associated with potential future development within the City.

WHEREAS, the FEIR traffic analysis completed for the General Plan found that the City’s Downtown area is distinguished from other City development areas because real properties developed within this area will generate the least amount of traffic compared to the other development areas within the City. Additionally, implementation actions recommended in the City’s Circulation Element are anticipated to be more effective in the Downtown development area than within the other Development Areas of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SANTA BARBARA THAT:

1. The Council of the City of Santa Barbara hereby adopts The Administrative Procedures for the Implementation of the General Plan Growth Management Program dated as of March 12, 2013 (and as filed with the City Clerk on that date) attached hereto as Exhibit A.

2. The Council of the City of Santa Barbara hereby adopts The Traffic Management Strategy dated as of March 12, 2013 (and as filed with the City Clerk on that date) attached hereto as Exhibit B.

3. The Council of the City of Santa Barbara makes the following findings in accordance with the California Environmental Quality Act regarding the adoption of General Plan Growth Management Program:

A. State Public Resources Code (CEQA) Section 21083.3 and (CEQA Regulation Guidelines) Section 15183 provides that projects which are consistent with the development density established by general plan policies for which a FEIR was certified, and rezonings consistent with the plan, shall not require additional environmental review except under specified instances. The City Environmental Analyst has determined that the proposed implementing ordinance amendments for the City’s 2011 General Plan Growth Management Program do not trigger the additional environmental review requirements for the following reasons:

- i. There are no additional site-specific or project-specific significant effects which are peculiar to the proposed zoning amendments;
- ii. There are no new significant effects not addressed in the prior Program FEIR; and

iii. There is no new information since the FEIR that would involve more significant impacts than identified in the FEIR for the General Plan Growth Management Program.

Environmental review for the proposed implementing ordinance amendments is addressed by the General Plan FEIR and Addenda, and no further environmental review is required. The zoning amendments to implement growth limitations under the Program are a Citywide program and any future project-specific significant effects will have environmental review.

B. The policies and standards for the city's projected growth have been previously analyzed in the Program FEIR and Addenda for the General Plan and Climate Action Plan. Specifically, the environmental and traffic impacts associated with implementing General Plan Policy LG2 and 1.35 million net new square feet of nonresidential floor area was included in the analysis of the General Plan FEIR and Addendum and the potential development is within the growth and traffic distribution assumptions.

C. The City Planner is the custodian of the record of proceedings for the General Plan Update, FEIR, the Addenda, and the documents and other materials which constitute the record of proceedings for City actions related to the General Plan Update and FEIR that are located at the City of Santa Barbara Community Development Department, Planning Division, 630 Garden Street, Santa Barbara, California. Copies of these documents are available for public review during normal business hours upon request at the office of the City of Santa Barbara Community Development Department, Planning Division.

4. Santa Barbara City Council Resolution No. 12-075 is hereby rescinded.

5. This Resolution shall become effective only upon the City Council's adoption of the City ordinance adopting the City's Nonresidential Growth Management Program Ordinance (SBMC Chapter 28.85) as introduced by the City Council on March 5, 2013.

**EXHIBIT A to City Resolution No. \_\_\_\_\_**

**The Administrative Procedures for the Implementation of the  
General Plan Growth Management Program for the City of Santa Barbara  
Dated as of March 12, 2013**

The following are administrative procedures for the implementation of the City's Nonresidential Growth Management Program Ordinance (Municipal Code Chapter 28.85) through January 1, 2033 and the Traffic Management Strategy by which nonresidential development will be evaluated. These procedures may not be amended or otherwise revised or changed without the express approval of the City Council for the City of Santa Barbara as such approval is incorporated in a resolution of the Council. All capitalized terms used herein shall be as defined in the Santa Barbara Municipal Code.

**1. Applications.**

Applications for land use permits within the City of Santa Barbara for nonresidential construction projects and transfers of existing development rights, as those terms are defined in Sections 28.85.020 and 28.95.020 of the Santa Barbara Municipal Code, shall be submitted in accordance with the following procedures:

**A. Minor Additions, Projects on Vacant Property, Government Displacement Projects, and City Government Buildings.**

An application for a land use permit for a nonresidential construction project involving a proposed minor addition, a project on vacant property, a government displacement project or a city government building shall be submitted to the Community Development Department in accordance with the standard and approved Community Development Department application requirements in place at the time of the application submittal.

**B. Prior-Pending or Prior-Approved Projects.**

If a Prior-Pending Project or a Prior-Approved Project that includes nonresidential floor area that would otherwise require an allocation of floor area from one of the categories specified in Subsection A of Section 28.85.010 of the Municipal Code expires or is withdrawn, any future project on the same real property involving nonresidential floor area shall be required to submit a new application to the Community Development Department in accordance with the standard application requirements in place at time of the application submittal.

If a Prior-Pending or Prior-Approved project is withdrawn or expires, any future project on the same real property requires a new allocation of square footage under SBMC Chapter 28.85.

### C. Small Additions.

An application for a land use permit for a nonresidential construction project involving a proposed small addition shall be submitted to the Community Development Department in accordance with the following procedures:

(1) **Annual Allocation.** The annual allocations available from Small Additions shall be the total of 20,000 or a City-wide basis and any unused Small Additions from the previous year which may be carried over from time to time by an authorizing resolution of the City Planning Commission. The Planning Commission will decide annually whether unused or expired Small Additions from the previous year should roll over to Small Additions for the following year or will accrue to the Community Benefit allocation category.

(2) **Initial Application Period.** Applications for Small Additions will be accepted on the first two (2) City business days of each calendar year. Applications received during this two (2) day period will be reviewed by staff to determine the total amount of square footage requested from the Small Addition category.

(a) **Initial Applications Less than Annual Allocation.** If the total amount of Small Addition square footage requested is less than or equal to the 20,000 square foot annual allotment, plus any rollover approved by the Planning Commission from the previous year, the accepted applications will be allocated square footage in the amounts requested. Subsequent applications for small additions will be accepted on a first-come, first-served basis until the 20,000 square foot annual limit (including any approved rollover from the previous year) has been reached. Applications submitted after the annual allocation has been expended will be returned to the applicant, with the names of the applicants for the next 10,000 square feet of small additions placed on a Reallocation List for use in the event that projects originally accepted are reduced in size, withdrawn, abandoned or denied. All other potential applicants will be advised to re-apply in January of the following year.

(b) **Initial Applications Greater than Annual Allocation.** If the total amount of Small Addition square footage requested in the applications received within the Initial Application Period described in subparagraph (a) above exceeds the 20,000 square foot annual limit, plus any approved rollover, priority for square footage allocations will be determined by the casting of lots in a manner deemed appropriate by the Community Development Director. Each proposed development project for which an application has been received will have one lot in the lottery, regardless of the number of small additions requested or the number of properties involved in the proposed project. Projects will be allocated small addition square footage in the order drawn until the 20,000 square foot limit (plus any approved amount) rollover has been reached. Projects which were not drawn during the initial 20,000 square foot allocation plus any approved rollover will continue to be drawn for priority placement on a

Reallocation List for use in the event that projects originally accepted are reduced in size, withdrawn, abandoned, or denied. Subsequent to the lottery, all other potential applicants will be advised to reapply in January of the following year.

## **D. Community Benefit Projects.**

An application for a land use permit for a nonresidential construction project which seeks designation by the City Council as a Community Benefit Project shall be subject to the following procedure:

### **(1) Contents.**

An application for a land use permit for a nonresidential construction project proposed as a Community Benefit project shall be submitted to the Community Development Department for a recommendation of "community benefit." The following information shall be included in the application packet:

- A completed City Master Application form;
- 3 copies of a Plot Plan including the following:
  - Vicinity Map
  - North Arrow
  - Scale (not smaller than 1" = 20')
  - Project address and property owners
  - Land Use Zone
  - Total site acreage
  - Property boundaries
  - Setback dimensions
  - Maximum height of the buildings
  - Assessor's Parcel Number(s)
  - Location of proposed Structures
  - Indication of removal of any structures
  - Major trees should be indicated including those proposed for removal
  - Footprint of structures on adjacent properties
  - Location of existing and proposed parking spaces
  - Legend including: net lot area of parcel in square feet and acres, site statistics showing both square footage and percentage of site coverage for all buildings and parking statistics showing the number of spaces required by ordinance and the total number of on-site space (existing and proposed);
- A Letter from the applicant containing a description of the project including but not limited to the square footage of existing and proposed structures (consistent with the definition of Floor Area contained in Section 28.85.020 of the Zoning Ordinance), and the square footage associated with any proposed demolition;

- For Community Priority Projects: a Needs Assessment providing Staff and the Council with information necessary to make the finding that the proposed project meets a “present or projected need directly related to public health, safety or general welfare”. The content of the Needs Assessment should be as follows:

- An introduction outlining the proposal
- A summary of the development history of the site; past development activity at the site should be documented, noting types and dates of past permits
- A description of the existing and proposed uses and associated square footage. This section should address the need for expansion and reasons why an allocation is necessary.

- For Economic Development Projects: an assessment providing Staff and the Council with information necessary to make the finding that the proposed project will “enhance the standard of living for City and South Coast Residents and will strengthen the local and regional economy”. The content of the assessment should be as follows:

- An introduction outlining the proposal.
- A summary of the development history of the site; past development activity at the site should be documented, noting types and dates of past permits.
- A description of the existing and proposed uses and associated square footage. This section should address the need for expansion and reasons why an allocation is necessary.
- Documentation of how the project meets the definition of an Economic Development Project in Section 28.85.020 of the Zoning Ordinance.

## (2) **Designation.**

The City Council shall consider an application for designation as a Community Benefit Project at a public hearing noticed in accordance with Section 28.87.380 of the Municipal Code. The staff recommendation shall be presented to the City Council for an identification of Community Benefit status. The designation of a project as a Community Benefit Project enables the acceptance of the application for processing, but does not commit the City Council, or any City agency, board, or commission to approval of the project or of its design. If a project is granted a Designation as a Community Benefit project, the project application shall continue through the review process in place at the time of application.

A project designated by the City Council as satisfying one or more of the following categories is a Community Benefit Project:

(a) Community Priority Project. A Community Priority Project is a project that has a broad public benefit, is not principally operated for private profit, and is necessary to meet a present or projected need directly related to public health, safety or general welfare including, but not limited to, parks and recreation facilities; community centers; educational institutions and uses including schools; public cultural or arts facilities; youth development and childcare facilities; community gardens and urban farming, and a mixed use project on a site where the commercial component supports rental or affordable housing. A Community Priority project is also defined as a project that meets the present or projected needs of persons with disabilities, the workforce that provides them direct support, and the agencies or organizations that assist persons with disabilities.

(b) Economic Development Project. An Economic Development Project is a project that is consistent with the City Charter, General Plan, the Zoning Ordinance and these Administrative Procedures, will enhance the standard of living for City and South Coast residents and will strengthen the local or regional economy by either creating new permanent employment opportunities or enhancing the City's tax and fee revenue base. An Economic Development Project should also accomplish one or more of the following:

- i. Support diversity and balance in the local or regional economy by establishing or expanding businesses or industries in sectors which currently do not exist on the South Coast or are present only in a limited manner; or
- ii. Provide new recreational, educational, or cultural opportunities for City residents and visitors; or
- iii. Provide products or services which are currently not available or are in limited supply either locally or regionally; or
- iv. Support a small and local business in the community that has been or is being started, maintained, relocated, redeveloped or expanded within the City.

For purposes of this Section, "standard of living" is defined as wages, employment, environment, resources, public safety, housing, schools, parks and recreation, social and human services, and cultural arts.

(c) Planned Development – New Automobile Sales. A Planned Development – New Automobile Sales Project is a project within a Planned Development Zone that proposes a project involving new automobile sales, rental and leasing as allowed in Chapter 28.39 of this Code.

### **(3) Reservation of Community Benefit Square Footage.**

If an application meets the following criteria, square footage from the Community Benefit categories can be reserved without applying for a land use permit. The application process for a reservation shall be the same as outlined in subparagraphs (1) and (2) above. In order to be eligible for a reservation of square footage, the project

must exceed 10,000 square feet and be a component of a recognized Master Plan with interrelated phases of construction, which has been reviewed by the Planning Commission and can be fully implemented within ten years.

For the purposes of a Community Priority or Economic Development project square footage reservation, a Master Plan shall include the following information:

- The potential for short and long range development for the facility and site;
- A brief history of development occurring at the facility;
- Description of the type and number of parking spaces existing;
- Plans to indicate the size and conceptual location of proposed structures;
- Proposed schedule of implementation of each component.

If the City Council finds that a project meets the definition of a Community Benefit Project, as specified in Section 28.85.020 of the Municipal Code, a reservation of square footage from the Community Benefit Category may be granted by a resolution of the City Council for a period not to exceed five years. Prior to expiration of the Council approval reserving the square footage, the applicant shall submit a complete application for a City land use permit.

#### **E. Hotel Room for Room Replacement.**

An application for a land use permit for a nonresidential construction project which involves the replacement or remodeling of existing hotel rooms on a room for room basis shall be submitted to the Community Development Department in accordance with the standard and approved application process in place at the time of submittal. All applications involving room for room replacement shall include a site plan identifying the location and size of all existing hotel rooms. An additional site plan showing the proposed size and location of all rooms after the replacement project is completed shall also be submitted.

## **2. Project Review and Approval.**

The Nonresidential Growth Management Program Ordinance (SBMC Chapter 28.85) limits the categories of development available for allocation within certain Development Areas of the City. The Traffic Management Strategy (as approved by City Resolution No. and dated as of March 12, 2013 and as filed with the City Clerk on that date) limits the ability to override project-specific traffic impacts. The purpose of these limits is to promote the General Plan Policy of “Living within Our Resources”.

Section 28.85.050 of the Santa Barbara Municipal Code implements the City’s Traffic Management Strategy (as approved the City Resolution No. and dated as of

March 12, 2013 and as filed with the City Clerk on that date) as part of the City's Nonresidential Growth Management Program by specifying what categories of development are available for allocation within a particular Development Area and specifying whether such development may have project specific significant traffic impacts. The following discussion explains the organization of Section 28.85.050 and its operation:

#### **A. Default Rule for Project-Specific Significant Traffic Impacts**

Each subsection of SBMC Section 28.85.050 (A. – “Downtown Development Area,” B. – “Outlying Development Areas,” and C. – “Airport Development Area”) specifies a default treatment of certain assumptions regarding project-specific significant traffic impacts for projects within such Development Areas (i.e., whether or not project-specific significant impacts may be overridden or not.)

#### **B. Categories of Development Available for Allocation**

Each subsection of SBMC Section 28.85.050 lists the categories of development that are available for allocation within each separate Development Area as separate numbered paragraphs. If a category is listed, that category of floor area or project is available for allocation within that Development Area. If a category of development is not listed, the category of development is not available for allocation within that Development Area.

#### **C. Exceptions to Default Rule for Project-Specific Traffic Impacts**

Some of the paragraphs of SBMC Section 28.85.050 listing an available category of development have a description of the treatment of project-specific significant traffic impacts for that category of development. If a category of development is listed and has no further discussion within the numbered paragraph, then that category of development follows the default rule regarding project-specific traffic impacts stated at the beginning of the subsection. If there is further discussion following the listing of the category, the further discussion describes an exception for that category of development from the default rule for the Development Area.

### **3. Tracking of Floor Area Under the Growth Management Program.**

#### **A. Minor Additions.**

(1) **Maximum.** Although Minor Addition Floor Area is excluded from the development limit, it will be tracked by the Community Development Department. For existing legal lots or parcels which existed as of December 6, 1989, the cumulative total of Minor Addition Floor Area allowed for each lot shall not exceed 1,000 square feet over the nonresidential floor area that existed on the lot as of December 6, 1989.

(2) **Minor Additions Developed Together with Other Categories of Development.** Minor Addition square footage developed in conjunction with a Small Addition or allocations from other categories of nonresidential development specified in Section 28.85.010 shall be counted as a Minor Addition.

(3) **Buildings Occupying Two or More Lots.** If an existing building occupies two or more legal lots or parcels, the maximum square footage available for allocation as a Minor Addition to the combined project shall equal the sum of the Minor Addition square footage that could be developed on the individual lots in compliance with current zoning standards (assuming surface parking). The application shall demonstrate the ability to develop the square footage on a site plan.

#### **B. Small Additions.**

(1) **Maximum.** For legal lots or parcels which existed as of December 6, 1989, the cumulative total of that Small Addition Floor Area allowed for each lot or parcel shall not exceed 2,000 square feet over the nonresidential floor area that existed on the lot or parcel as of December 6, 1989. In no case shall the combined total of Small Addition Floor Area and Minor Addition Floor Area on a lot exceed 3,000 square feet.

(2) **Buildings Occupying Two or More Legal Lots or Parcels.** If an existing building occupies two or more legal lots or parcels, the maximum square footage available for allocation as a Small Addition to the combined project shall equal the sum of the Small Addition square footage that could be developed on the individual lots or parcels in compliance with current zoning standards (assuming surface parking.) The application shall demonstrate the ability to develop the square footage on a site plan.

#### **C. Merged or Adjusted Lots.**

If two or more lots or parcels are merged or have their lot lines adjusted as part of a development, any Minor Addition or Small Addition allocation that remains available to each of the individual lots or parcels prior to the merger or adjustment may be assigned to the merged or adjusted lot to the extent the application demonstrates on a site plan that the lot or parcel from which the allocation is assigned could have developed the remaining square footage in compliance with current zoning standards (assuming surface parking) prior to the merger or lot line adjustment.

#### **D. Subdivisions.**

For real property subdivided after October 1988, any Minor Addition or Small Addition allocation remaining for the original unsubdivided real property (i.e., as of October 1988) at the time of subdivision shall be divided evenly between all of the resulting lots or parcels. The remaining Minor Addition or Small Addition allocation may

be divided in a different manner between the resulting lots if subdivider documents the alternative division of the allocation in a written instrument approved as to form by the City Attorney and recorded with the County Recorder at the time of the recordation of the final or parcel map of the subdivision.

#### **E. Reallocation of Floor Area.**

(1) **Prior-Pending and Prior-Approved Projects.** If a Prior-Pending Project or Prior-Approved Project expires or is withdrawn, any nonresidential floor area allocated to the project shall be deemed to have expired and shall not be available for allocation to another project.

(2) **Small Addition Floor Area.** Small Addition Floor Area that is not allocated within a calendar year may be rolled over to the Small Addition allocation for the subsequent year or to the Community Benefit Project category as determined appropriate by a Resolution of the City Planning Commission. If a waitlist has been established for the allocation of Small Addition Floor Area pursuant to Section 1.C.(2)(b) of this Resolution, any Small Addition Floor Area that expires or is withdrawn during such calendar year shall be allocated to projects on the waitlist. If any balance of expired or withdrawn Small Addition Floor Area remains after allocation to projects on the waitlist, the remaining balance may be rolled over to the Small Addition allocation for the subsequent year or to the Community Benefit Project category as determined appropriate by a resolution of the Planning Commission.

(3) **Community Benefit Projects and Vacant Property Projects.** If a Community Benefit Project or a Vacant Property Project expires or is withdrawn, the nonresidential floor area allocated to the project shall return to the development category or categories from which it was allocated.

## EXHIBIT B

**City of Santa Barbara**  
**Growth Management Program**  
**Traffic Management Strategy**  
***Policies and Procedures to***  
***Assess Traffic Impacts for Land Development Projects***  
***Dated as of March 12, 2013 as filed with the Santa Barbara City Clerk***  
**As approved by City Resolution No. \_\_\_\_\_**

The following set of policies and procedures outline the operational details of the City of Santa Barbara's Traffic Management Strategy, a part of the City's overall Growth Management Program. The strategy supports and implements the City's policy, stated in the General Plan, for limited incremental nonresidential growth in order to minimize traffic impacts on City roadways. The development anticipated over the next 20 years is expected to cumulatively result in increased traffic congestion citywide and up to 26 impacted intersections. The intent of this Strategy is to minimize the expected traffic impacts while balancing the need for economic development, and to establish a simplified, more certain, and less costly development entitlement process.

The need for a traffic management strategy was identified in the Final Environmental Impact Report (FEIR) for the *Plan Santa Barbara* General Plan Update (2011). The FEIR used a Traffic Model software methodology specifically developed for the City to estimate future traffic impacts and congestion. Based upon observations of actual traffic behavior within the City, the Traffic Model of the FEIR identified different traffic generation rates based on the location of uses within the City. The Model also determined that the effectiveness of the traffic mitigation measures identified in the FEIR varied based on location. These findings substantially inform the policies and procedures adopted in this Traffic Management Strategy.

The primary goal of this Traffic Management Strategy is to utilize existing transportation capacity efficiently and to reserve constrained transportation capacity for high priority land uses. The City's Adaptive Management Plan will be used to monitor impacted intersections and provide decision points during the 20-years life of the plan to apply traffic mitigation efforts, adjust land use growth, or re-think the strategy altogether.

### **A. Policy Direction for Balancing Growth: Where, What, and How Much**

The General Plan establishes an overall Growth Management Program for 20 years prioritizing affordable housing and specific categories of new nonresidential development included in a development limit of 1.35 million square feet of net-new nonresidential floor area. Per General Plan policy, there are categories of development that are not included in the 1.35 million square feet limit, including: Prior Pending and Prior Approved projects, City Government Buildings, Minor Additions, reconstruction of demolished floor area on-site,

and floor area involved in a Transfer of Existing Development Rights. The Nonresidential Growth Management Program Ordinance, in conjunction with these policies adopted by Council Resolution No. on March 12, 2013, establishes the parameters for development allowances consistent with the General Plan.

The cumulative traffic impacts identified in the FEIR and found acceptable with the Council's corresponding adoption of a Statement of Overriding Considerations provide the basis for approval of development consistent with the General Plan as implemented through this Strategy.

Included is a Map of the Growth Management Program Development Areas used in this Traffic Strategy. The Development Areas are established based upon observations from the Traffic Model as used in the FEIR. The Traffic Model demonstrated that traffic generation rates and distribution patterns vary within different areas of the City. The Downtown Development Area is distinguished from all other Development Areas because land developed within this area will generate the least amount of traffic per square foot of development given the mix of land uses, the grid street system, and the availability of a variety of transportation modes including biking, walking and transit. Additionally, the mitigation measures included in the General Plan will have the greatest effectiveness of offsetting traffic impacts in the Downtown Development Area.

To provide flexibility and to encourage infill and redevelopment in each respective Development Area, this strategy provides for the transfer of existing nonresidential floor area and hotel rooms. For the Downtown Area, existing development rights may be proposed for a TEDR from anywhere in the City (other than from the Airport) to the Downtown Area. Transfers wholly within the Downtown Area are also allowed.

## **1. Downtown Area**

### **Allowed Development Categories**

In support of General Plan goals and policies, this Traffic Management Strategy is designed to create flexibility and encourage the majority of future land development to occur within the Downtown Area. The following are the categories of development allowed in the Downtown Development Area:

- 1) Prior-Approved Projects
- 2) Prior-Pending Projects
- 3) Prior Approved Specific Plan Projects
- 4) Minor Addition Floor Area
- 5) Small Addition Floor Area
- 6) Vacant Property (up to .25 Floor to Lot Area Ratio)
- 7) Community Priority Projects

- 8) Economic Development Projects \*
- 9) Nonresidential Transfer of Existing Development Rights (TEDR) \*
- 10) Hotel Room for Room Replacement
- 11) Demolition and Reconstruction of Existing Nonresidential floor area on site, no net new floor area
- 12) Government Buildings and Public Utility Projects
- 13) Government Displacement Floor Area

## **2. Outside of the Downtown - Outlying Development Areas**

### **Allowed Development Categories**

The Upper State Street, Mesa, Coast Village Road, and Riviera Development Areas (Outlying Development Areas) are all treated similarly in this strategy. The Traffic Model methodology of the FEIR showed that land development within the Outlying Development Areas would generate significantly more traffic per square foot or per unit than the same land uses located in the Downtown Development Area. Additionally, the Traffic Model showed that the traffic mitigation measures identified in the FEIR are substantially less effective in reducing traffic impacts in the Outlying Development Areas. Consequently, in order to reserve traffic capacity for high priority land uses, new nonresidential square footage is limited by SBMC Chapter 28.85 in the Outlying Development Areas to the following categories:

- 1) Prior-Approved Projects
- 2) Prior-Pending Projects
- 3) Prior-Approved Specific Plan Projects
- 4) Minor Addition Floor Area
- 5) Vacant Property (up to .25 Floor Area Ratio)
- 6) Community Priority Projects
- 7) Transfer of Existing Development Rights (TEDR) from within the same Development Area\*
- 8) Demolition and Reconstruction of Existing Nonresidential floor area on site, no net new floor area
- 9) Government Buildings and Public Utility Projects
- 10) Government Displacement Projects
- 11) Hotel Room for Room Replacement on site
- 12) Planned Development – New Automobile Sales

Should major development or redevelopment of the La Cumbre Plaza and Five Points properties be proposed, the General Plan anticipates that a Specific Plan process would be undertaken including further consideration of this traffic strategy.

**3. Limitations Related to Transfer of Existing Development Rights and Project Specific Impacts (for the project types noted with an asterisk\*).**

**Transfer of Existing Development Rights (“TEDR”)**

The Municipal Code provides development potential and a process for review and approval of transfers of existing development rights (TEDR). This strategy and accompanying ordinance amends the TEDR ordinance. A TEDR is allowed from the Outlying Development Areas, not including the Airport, into the Downtown Development Area but is not allowed from the Downtown Development Area to the Outlying Development Areas or the Airport Development Area. TEDRs are not allowed by SBMC Chapter 28.85 between the various Outlying Development Areas or from the Downtown Development Area or any of the Outlying Development Areas to the Airport Development Area.

These limitations on TEDR projects promotes the policy of focusing future development in the Downtown Development Area. The Downtown Development Area is shown by the Traffic Model to generate the least amount of additional traffic and to be the most able to mitigate the potential adverse effects of the anticipated traffic growth. The allowance for transfers within the same Development Area reflects the nature of traffic patterns within the development areas observed in the Traffic Model. A land use can move from one location to another location within the same Development Area and only experience slight changes in traffic patterns. While shifts in traffic patterns within a Development Area will be measured using the Traffic Model, the change is not anticipated to rise to the level of project specific environmental impact under CEQA.

**Economic Development**

Projects seeking development allocations from the Economic Development category are encouraged; provided, that the project does not cause a project-specific potentially significant adverse traffic impact. Project-specific significant traffic impacts are viewed as an indication that an economic development project is consuming a disproportionate amount of the City’s transportation capacity. Therefore, an economic development project that presents a project-specific potentially significant adverse traffic impact cannot be approved under this Strategy unless the City Council determines that such an impact has been mitigated to a less than significant adverse level.

**Significant Project Specific Traffic Impacts**

This Traffic Management Strategy specifically identifies projects with contributions to cumulative traffic impact levels as assessed in the FEIR. In the FEIR findings, the

City Council determined this cumulative traffic impact to be acceptable and consistent with the General Plan. However, when a project's anticipated impact rises to the level of a project-specific potentially significant adverse traffic impact, it is inconsistent with this policy because a single project is using a disproportionate share of the remaining roadway capacity.

The only categories of development allocation for which potentially significant adverse traffic impacts at the Project Specific level may be considered are:

- 1) Prior Approved Specific Plan Projects
- 2) Minor Addition Floor Area
- 3) Community Priority Projects
- 4) Nonresidential Transfer of Existing Development Rights (TEDR) of not more than 1,000 square feet and within the same Development Area
- 5) Hotel Room for Room Replacement on site
- 6) Demolition and Reconstruction of Existing Nonresidential floor area on site, no net new floor area
- 7) Government Buildings and Public Utility Projects
- 8) Government Displacement Floor Area
- 9) Vacant Property (up to .25 Floor to Lot Area Ratio)
- 10) Planned Development – New Automobile Sales

All other proposals must either reduce the size of the project or adequately mitigate the project-specific impact, which may require the construction of new public traffic improvements. In these cases, staff will strategize with developers to consider project alternatives that would avoid the Project Specific level of impact.

#### **4. Airport Development**

The FEIR considered potential traffic impacts in the Airport Development Area as part of the regional analysis. It has been the City's practice to coordinate the traffic analysis of projects at the airport with the County, City of Goleta and Caltrans, as appropriate. The level of service capacity and traffic thresholds for the transportation systems in and around the Airport are different than those applied to City intersections in the Downtown Development Area and the Outlying Development Areas. This policy proposes to continue the City's existing practices regarding traffic analysis of projects at the Airport and provides that additional environmental analysis, as necessary, will be completed prior to decisions on development proposals at the Airport.

The Airport development categories which may be considered for the Airport include:

- 1) Prior-Approved Projects
- 2) Prior-Pending Projects
- 3) Prior-Approved Specific Plans
- 4) Minor Addition Floor Area
- 5) Small Additions Floor Area
- 6) Vacant Property (up to .25 Floor Area Ratio)
- 7) Community Priority
- 8) Nonresidential Transfer of Existing Development Rights (TEDR) only to and from within the Airport Development Area
- 9) Economic Development Projects
- 10) Transfers of Existing Development Rights from within the Airport Development Area
- 11) Demolition and Reconstruction of Existing Nonresidential Floor Area on site
- 12) Government Buildings and Public Utility Projects

## **B. Environmental Assessment Procedures**

Whenever appropriate, the 2011 General Plan FEIR will be used to inform City decision-makers of that development's traffic impact. Because the FEIR is a Programmatic document, under CEQA, it may be used to streamline the environmental process. CEQA regulations provide that, if a proposed project is consistent with the development density established in a General Plan for which an EIR was certified, additional environmental review in the form of a supplemental EIR is not generally required, except as necessary to determine whether there are project-specific significant effects which are specific to the project or its site. Under CEQA, the City may find that these projects are approvable and are covered by the overriding considerations under CEQA findings made by the City Council at the time the General Plan was approved. Additional traffic modeling may be needed in cases where a project may generate a project-specific significant traffic impact.

In all cases, discretionary projects will be assessed for potential environmental impacts and processed per City environmental review procedures and the California Environmental Quality Act (CEQA) and this Traffic Management Strategy shall be interpreted and applied in full accordance with the requirements of CEQA.

Use of the General Plan EIR Traffic Model is anticipated as part of the project level environmental assessment, which will result in faster, more reliable proposal consistency determinations. Using the City's Traffic Model (as used in the General Plan FEIR) should also avoid developer expenses normally incurred investigating potential traffic impacts, and significantly reduce costs for further environmental review should that be required. Periodic calibration of the Traffic Model with current traffic counts will also occur in connection with the Adaptive Management Program as may be reviewed and approved by the City Council.

Regular updating of the City's Traffic Model of the General Plan FEIR will require a revenue stream within the Land Development Team (LDT) process, which will be developed in the future as a part of the LDT fee program. A Traffic Model Review fee should provide the necessary revenue. This fee could be charged to all projects that propose to add new nonresidential floor area or new residential units. The Traffic Model update fee will be scaled to the size and level of traffic impact generated by a development. Proposals that require additional environmental review may require additional processing fees.

### **Project Level Access Requirements**

Each development proposal will also be evaluated for site access design to ensure that a project has an appropriate connection to the transportation system, including traffic flow, bicycle and pedestrian accommodations, and appropriate access to public transit. Some projects may require improvements to the project site design or its interface with the public right-of-way in order to accommodate a project's access needs or, in rare instances, in order to reduce the project's project-specific potentially traffic impacts to a less than significant level. These types of improvements ensure safe access and minimize a project's disruption to the traffic flow of adjacent street(s). Any required access improvements must be in place prior to permission to occupy an approved development as evidenced by the City's issuance of a "Certificate of Occupancy."

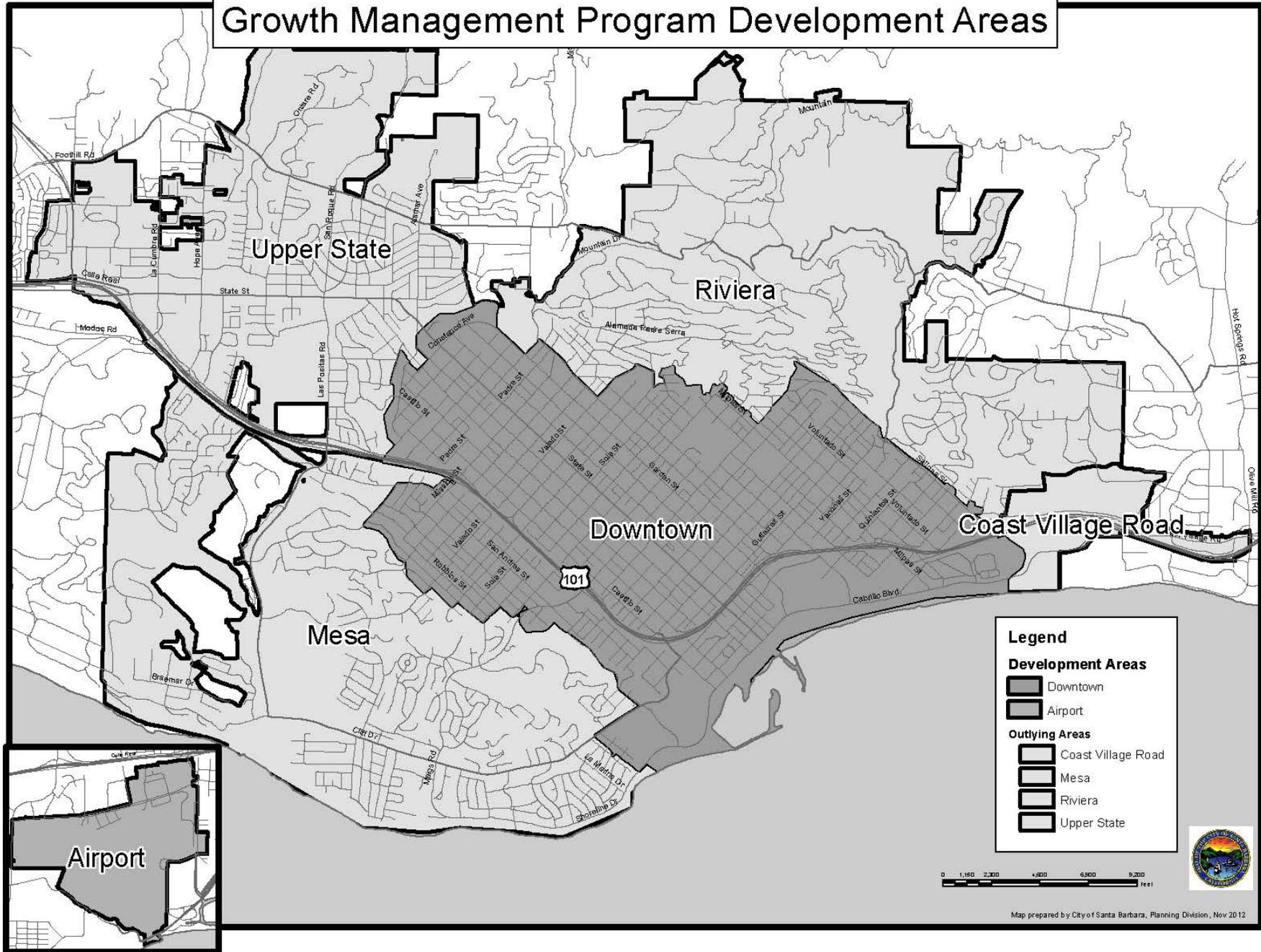
## **Traffic Mitigation Program and Adaptive Management**

An important part of this Traffic Growth Management Plan is traffic mitigation. Potential traffic mitigation measures were specifically identified in the 2011 General Plan FEIR and incorporated in to the General Plan. A City Traffic Mitigation Program will be developed alongside the Adaptive Management Program and approved by resolution of the City Council. The purpose of the program will be to accomplish the following: 1) to offset anticipated cumulative traffic impacts and 2) to identify a possible funding mechanism to pay for the implementation or construction of the traffic mitigation measures.

Because all new developments with additional nonresidential square feet or residential units are anticipated to contribute to a potentially significant adverse cumulative traffic impact, all projects will be required to participate in the mitigation program at some level as determined by the City Council with adoption of the City's future Traffic Mitigation Program. The Program will likely include a preliminary schedule and prioritization of the implementation of mitigation measures.

The Traffic Mitigation Program will be integrated with the Adaptive Management Program so the Planning Commission and City Council can make possible General Plan course corrections over the 20-year life of the General Plan. The Adaptive Management Plan will measure the rise of traffic congestion over time so that City decision-makers will be able to respond to a rise in traffic congestion levels by reprioritizing mitigation measures or by increasing funding levels to quicken the pace of implementation of mitigation measures.

# Growth Management Program Development Areas





# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Public Works Department

**SUBJECT:** Six-Year Capital Improvement Program - Fiscal Year 2014 Through 2019

### **RECOMMENDATION:**

That Council receive a report on the Six-Year Capital Improvement Program for Fiscal Year 2014 through 2019.

### **DISCUSSION:**

In accordance with City Charter Section 604(d), the City's Six-Year Capital Improvement Program (CIP) has been prepared and filed with the City Clerk.

The goals of the CIP are to:

- Provide a balanced program for capital improvements given the anticipated funding revenues over a six-year planning period;
- Illustrate unmet capital needs based on anticipated funding levels; and
- Provide a plan for capital improvements that can be used in preparing the capital budget for the next fiscal year.

The City of Santa Barbara's CIP forecasts the City's capital needs over a six-year period. Although the City Charter requires a five-year CIP, staff has prepared a six-year plan for many years. The first two years of the plan are the basis for the next two-year Financial Plan, with the remaining four years used to forecast future planning. The long-range nature of the CIP has become even more important in the past few years due to the complex economic, environmental, and planning requirements that many projects face from conception through actual construction. Projects are proposed based on the City's long-range plans, goals, and policies. The CIP is generally updated every two years to coincide with the City's two-year Financial Plan. It is a key element for developing the City's annual Capital budget.

The City Planner, the City Engineer, the City Boards and Commissions governing each program area, and the Finance Committee have reviewed the Six-Year Capital Improvement Program for Fiscal Year 2014 through 2019 and have forwarded the document to Council. The Capital projects listed in the CIP document, along with the currently funded Capital Program, will form the basis for the capital projects proposed for City Council approval as part of the Fiscal Year 2014 – 2015 Financial Plan.

The six-year total for the CIP exceeds \$642 million, and includes the General Fund, Enterprise funds and Special funds, with most funded projects in the Enterprise and Special funds. The table below summarizes the total amount of funded and unfunded projects and totals of funded projects by City and Non-City sources:

<b>Six-year Total for the CIP</b>	<b>\$642M</b>
Funded projects:	\$206 M
City Source	\$170 M
Non-City Source	\$ 36 M
Unfunded Projects	\$436M

Each department representative is prepared to discuss the department's Capital Program, including the projects that will be submitted as part of the Two-Year Financial Plan for Fiscal Year 2014 - 2015, and to address major capital project needs that are unfunded.

**SUSTAINABILITY IMPACT:**

The CIP includes projects that promote the goals of the City's Sustainability Plan. Many of the upgrades and maintenance projects for City facilities included in the CIP will enhance energy efficiency, use recyclable materials, and promote a longer maintenance cycle.

**THE CAPITAL IMPROVEMENT PROGRAM 2014 - 2019 IS AVAILABLE TO VIEW IN THE CITY CLERK'S OFFICE.**

**PREPARED BY:** Kathleen Kefauver, Administrative Analyst III/mh

**SUBMITTED BY:** Christine F. Andersen, Public Works Director

**APPROVED BY:** City Administrator's Office



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** March 5, 2013

**TO:** Mayor and Councilmembers

**FROM:** City Administrator's Office

**SUBJECT:** Conference With Labor Negotiator

**RECOMMENDATION:**

That Council hold a closed session, per Government Code Section 54957.6, to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the Fire Management Association and the Police Officers' Association, and regarding discussions with certain unrepresented managers about salaries and fringe benefits.

**SCHEDULING:** Duration, 30 minutes; anytime

**REPORT:** None anticipated

**PREPARED BY:** Kristy Schmidt, Employee Relations Manager

**SUBMITTED BY:** Marcelo López, Assistant City Administrator

**APPROVED BY:** City Administrator's Office