

**CITY OF SANTA BARBARA  
CITY COUNCIL**

**Helene Schneider**  
*Mayor*  
**Bendy White**  
*Mayor Pro Tempore*  
**Randy Rowse**  
*Ordinance Committee Chair*  
**Gregg Hart**  
*Finance Committee Chair*  
**Jason Dominguez**  
**Frank Hotchkiss**  
**Cathy Murillo**



**Paul Casey**  
*City Administrator*

**Ariel Pierre Calonne**  
*City Attorney*

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

**APRIL 19, 2016  
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:** If you need auxiliary aids or services or staff assistance to attend or participate in this meeting, please contact the City Administrator's Office at 564-5305. If possible, notification at least 48 hours prior to the meeting will usually enable the City to make reasonable arrangements. Specialized services, such as sign language interpretation or documents in Braille, may require additional lead time to arrange.

**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.

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

### **CALL TO ORDER**

### **PLEDGE OF ALLEGIANCE**

### **ROLL CALL**

### **CEREMONIAL ITEMS**

1. **Subject: Proclamation Declaring April 2016 As Fair Housing Month (120.04)**
2. **Subject: Letter Of Recognition For Silvio D. Di Loreto (120.04)**

### **CHANGES TO THE AGENDA**

### **PUBLIC COMMENT**

### **CONSENT CALENDAR**

3. **Subject: Minutes**

Recommendation: That Council waive further reading and approve the minutes of the regular meetings of March 22, and March 29, 2016.

4. **Subject: Adoption Of Ordinances Approving Sales Of Excess City Lands Related To The Cota Street Bridge Replacement Project (330.01)**

Recommendation: That Council:

- A. Adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the City Administrator to Execute the Land Purchase Agreement, Escrow Instructions, and Grant Deed for the Sale of Certain City Excess Land, Located at 221 West Cota Street, to Sarintha Bell in the Amount of \$701,550; and

## CONSENT CALENDAR (CONT'D)

### 4. (Cont'd)

- B. Adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving and Authorizing the City Administrator to Execute the Land Purchase Agreement, Escrow Instructions, and Grant Deed for the Sale of Certain City Excess Land, Located at 230 West Cota Street, to Ashley Nicole Mines and Brad Travis Moore in the amount of \$736,032.

### 5. **Subject: Adoption Of Ordinance To Increase Loan Amount For Wastewater Plant Upgrades From \$20,000,000 To \$31,388,033 (540.13)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Approval and Execution by the Public Works Director of Amendment No. 1 to the Installment Sale Agreement for the Air Process Improvement Project Clean Water State Revolving Fund Project No. 7857-110 Agreement No. 14-809-550.

### 6. **Subject: State And Federal Criminal History Checks For New Employees (410.01)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Rescinding Resolution No. 12-067 and Adopting A Resolution Authorizing the City of Santa Barbara to Have Access to State and Federal Level Summary Criminal History Information Through the California Department of Justice for Employment Purposes for All Regular Employees and Hourly Employees for Specific Positions, and State Level Summary Criminal History Information for All Other Hourly Employees.

### 7. **Subject: Purchase Order For Zero Discharge Water Distribution System Flushing Services (540.10)**

Recommendation: That Council authorize the General Services Manager to execute a Sole Source Purchase Order with ValveTek Utility Services, Inc., as authorized by Municipal Code Section 4.52.070 (k), in the not-to-exceed amount of \$498,952 for zero discharge water distribution system flushing services.

## CONSENT CALENDAR (CONT'D)

**8. Subject: Property Tax Exchange Agreement For Santa Barbara Museum Of Natural History Reorganization (150.04)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara in the Matter of Providing for a Negotiated Exchange of Property Tax Revenues Pertaining to the Santa Barbara Museum of Natural History Reorganization, an Annexation of Properties Located at 2559 Puesta Del Sol (APN's 23-250-39, 23-250-066 and 23-250-068) to the City of Santa Barbara and Detachment from the Santa Barbara County Fire Protection District, Mission Canyon Lighting District, County Service Area 12 and County Service Area 32.

**9. Subject: Set A Date For Public Hearing To Consider Designation Of City Landmarks**

Recommendation: That Council set the date of May 17, 2016, at 2:00 p.m. for a public hearing on the Historic Landmarks Commission's recommendations that the following resources be designated as City Landmarks:

"The Olives," a Craftsman residence at 2121 Garden Street, Assessor's Parcel No. 025-252-003;

Our Lady of Sorrows Church at 33 East Sola Street, Assessor's Parcel No. 039-072-007; and

The Dolores/Notre Dame School at 33 East Micheltorena Street, Assessor's Parcel No. 027-232-014.

## NOTICES

10. The City Clerk has on Thursday, April 14, 2016, 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.**

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

### **FINANCE DEPARTMENT**

**11. Subject: Fiscal Year 2017 Recommended Operating And Capital Budget (230.05)**

Recommendation: That Council:

- A. Accept the Fiscal Year 2017 Recommended Operating and Capital Budget;
- B. Hear a report from staff in connection with the filing of the Fiscal Year 2017 Recommended Budget; and
- C. Approve the proposed Schedule of Council Budget Review Meetings and Public Hearings related to the Fiscal Year 2017 Recommended Budget.

### **COMMUNITY DEVELOPMENT DEPARTMENT**

**12. Subject: Waterfront Hotel Development Agreement And Amendment To Chapter 28.95 Of The Zoning Ordinance (640.09)**

Recommendation: That Council:

- A. Make the California Environmental Quality Act findings specified in the conclusion of this Council Agenda Report;
- B. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Development Agreement for the Waterfront Hotel By and Between the City of Santa Barbara and American Tradition, LLC; and
- C. Introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 28.95 of Title 28 of the Santa Barbara Municipal Code by Adding a Provision Relating to the Development Agreement Between the City of Santa Barbara and American Tradition, LLC.

### **FIRE DEPARTMENT**

**13. Subject: 9-1-1 Emergency Dispatch And Cell Phone Call Routing (520.02)**

Recommendation: That Council receive a presentation and consider support of Assembly Bill 1564 (Williams), 9-1-1 Emergency Response - Wireless Routing Optimization.

## **COUNCIL AND STAFF COMMUNICATIONS**

## **COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

## **PUBLIC COMMENT (IF NECESSARY)**

## **CLOSED SESSIONS**

### **14. Subject: Conference With Labor Negotiator (440.03)**

Recommendation: That Council hold a closed session pursuant to the authority of Government Code Section 54957.6 to consider instructions to City negotiator Kristine Schmidt, Administrative Services Director, regarding negotiations with the Firefighters Association and Police Officers Association.

Scheduling: Duration, 30 minutes, anytime

Report: None anticipated

## **ADJOURNMENT**



## PROCLAMATION

### Fair Housing Month

April 2016

*WHEREAS, April is National Fair Housing Month, which celebrates the passage of the federal Fair Housing Act; and*

*WHEREAS, during the month of April, interested parties from both the private and public sectors will participate in a national effort to promote fair housing; and*

*WHEREAS, despite the local, state and federal laws prohibiting discrimination, the U.S. Department of Housing and Urban Development and partner agencies received more than 8,000 discrimination complaints nationwide each year from 2010 to 2013; and*

*WHEREAS, the City of Santa Barbara approved its own Housing Discrimination Ordinance ensuring that a fair choice of rental housing was available to all City residents regardless of race, color, religion, sex, age, marital status, national origin, familial status, mental or physical disability, sexual orientation, or ancestry; and*

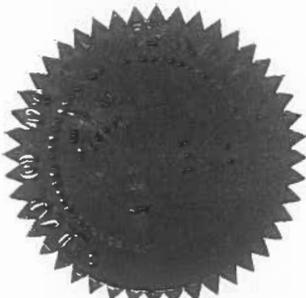
*WHEREAS, as part of the City's participation in Fair Housing Month, notices will placed on the City News page directing residents to information about the City's Fair Housing and Rental Housing Mediation programs and an announcement will be placed in the City Newsletter; and*

*NOW, THEREFORE, I, HELENE SCHNEIDER, by virtue of the authority vested in me as Mayor of the City of Santa Barbara, California, do hereby proclaim April as **FAIR HOUSING MONTH** and urge all citizens to understand and exercise their right to equal housing opportunity.*

*IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Santa Barbara, California, to be affixed this 29<sup>th</sup> day of March, 2016.*

A handwritten signature in black ink, appearing to read 'H. Schneider', is written over a horizontal line.

**HELENE SCHNEIDER**  
Mayor





**LETTER OF RECOGNITION**

**SILVIO D. DI LORETO**  
**"Founding Member"**  
**City of Santa Barbara**  
**Rental Housing Mediation Program**

*WHEREAS, Silvio D. Di Loreto has served the Santa Barbara community in countless ways, including his invaluable leadership and outstanding dedication and service as an original volunteer City Council appointed mediator, chair, and trainer for the Rental Housing Mediation Program, (formerly the Rental Housing Mediation Task Force), for the past forty years; and*

*WHEREAS, out of a "grass roots" effort recognizing a need for communication, conflict resolution, and improved relations between landlords and tenants, the Rental Housing Mediation Program was established. Silvio has provided the spirit, dedication, inspiration, and leadership necessary for the Rental Housing Mediation Board and staff to accomplish its important work and success in the community, therefore, alleviating the burden of the courts; and*

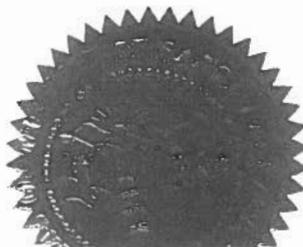
*WHEREAS, Silvio's overall personal dedication, mediating hundreds of disputes within our community, confirms a true commitment to social responsibility and a deep compassion for people, exemplified by receipt of prestigious awards including the Santa Barbara News Press Lifetime Achievement Award and the Anti-Defamation League's Humanitarian of the Year Award; and*

*WHEREAS, Silvio's tireless efforts have been an essential link between government, the citizenry, neighborhood groups, real estate and the business community, social service agencies, low income families, the homeless, and senior citizens; and*

*WHEREAS, Silvio's proactive approach to addressing and responding to the aforementioned needs of our community has truly made our City a model for administering mediation and alternative dispute resolution services.*

*NOW, THEREFORE, I, HELENE SCHNEIDER, by virtue of the authority vested in me as Mayor of the City of Santa Barbara, do hereby honor and recognize **SILVIO D. DI LORETO** for his commitment, passion and visionary leadership and FORTY years of dedicated volunteer Mediation services to our community.*

*IN WITNESS WHEREOF, I have hereunto set my hand and caused the Official Seal of the City of Santa Barbara, California, to be affixed this 29<sup>th</sup> day of March, 2016.*



  
**HELENE SCHNEIDER**  
 Mayor



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## REGULAR MEETING March 22, 2016 COUNCIL CHAMBER, 735 ANACAPA STREET

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### CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:00 p.m. (The Finance and Ordinance Committees, which ordinarily meet at 12:30 p.m., did not meet on this date.)

### PLEDGE OF ALLEGIANCE

Mayor Schneider.

### ROLL CALL

Councilmembers present: Jason Dominguez, Gregg Hart, Frank Hotchkiss, Cathy Murillo, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator Paul Casey, Acting City Attorney Sarah Knecht, Deputy City Clerk Brenda Alcazar.

### CHANGES TO THE AGENDA

City Administrator Paul Casey reported a change to the scheduled time for City Advisory Groups Interviews, Agenda Item No. 8, as indicated in recommendation B.

### PUBLIC COMMENT

Speakers: Santa Barbara Sister Cities: Gil Garcia and visitors from Ukraine; Bernard Unterman; Peter Dal Bello; Britta Bartels; Tom Widroe, City Watch; Anna Campbell; Jeff Shaffer; Westmont College Urban Initiative: Erik Fauss, Bekah Beveridge; Andrea Roselinsky; AIE! the Person (Kate Smith).

## CONSENT CALENDAR (Item Nos. 1 – 8)

The titles of the ordinance and resolution related to the Consent Calendar were read.

Motion:

Councilmembers White/Dominguez to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote.

### CITY COUNCIL

#### 1. **Minutes**

Recommendation: That Council waive further reading and approve the minutes of the regular meetings of February 23 and March 1, 2016.

Action: Approved the recommendation.

#### 2. **Subject: Municipal Code Amendment To Allow The Combination Of Discrete Water, Sewer And Refuse Services Onto One Utility Bill (210.01)**

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 7.16.320, Billing and Collection, of the Santa Barbara Municipal Code to Allow the City, At Its Own Discretion, to Join Discrete Water, Sewer and/or Refuse Accounts When the Discrete Accounts Contain Corresponding Customer Identification Information and Corresponding Service Locations.

Action: Approved the recommendation (March 22, 2016, report from the Finance Director; proposed ordinance).

#### 3. **Subject: Resolution For Grant Agreement For Las Positas Creek Restoration Project (540.14)**

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Approving the Acceptance of a \$1,000,000 Urban Streams Restoration Program Grant and Designating a Project Representative, Contract Manager, and Fiscal Agent; and
- B. Authorize an increase in appropriations and estimated revenues by \$1,000,000 in the Creeks Capital Fund for the Las Positas Creek Restoration Project, to be funded from the Urban Streams Restoration Program Grant.

Action: Approved the recommendations; Resolution No. 16-012; Agreement No. 25,445 (March 22, 2016, report from the Parks and Recreation Director; proposed resolution).

**4. Subject: Agreement With Infax, Inc., For Flight Information Display System In The Rickard Terminal Building (560.01)**

Recommendation: That Council authorize the Airport Director to execute an Access and Use Permit Agreement with Infax, Inc., to provide the City of Santa Barbara a cloud-based multiuser flight/baggage information display system for a five-year term, for an anticipated cost of \$49,036 with a 10% contingency, resulting in a not-to-exceed amount of \$53,940.

Action: Approved the recommendation; Agreement No. 25,446 (March 22, 2016, report from the Airport Director).

**5. Subject: Purchase Of A New Council Document And Agenda Management System (170.04)**

Recommendation: That Council:

- A. Approve a professional services agreement with Konica Minolta Business Solutions U.S.A., Inc., for the acquisition and implementation of the Hyland OnBase Document and Agenda Management System, in an amount not to exceed \$228,948, and approve an additional \$22,895 for contingency costs that may be necessary during the implementation;
- B. Appropriate \$53,588 from the Capital Reserve Account for Technology Upgrades to the Community Development Department's Building and Safety Division's Fiscal Year 2016 budget to cover a portion of this agreement; and
- C. Appropriate \$55,340 from Information Systems Capital Reserves to the Fiscal Year 2016 Information Systems budget to cover a portion of this agreement.

Action: Approved the recommendations; Agreement No. 25,447 (March 22, 2016, report from the Administrative Services Director).

**SUCCESSOR AGENCY**

**6. Subject: Contracts For Remaining Successor Agency Funds For The Temporary Relocation Of The 9-1-1 Call Center (520.04)**

Recommendation: That Council:

- A. Authorize the Executive Director of the Successor Agency to execute a contract with the Police Department in the amount of \$65,000 for the purchase and installation of information technology hardware to provide redundancy to the new operating network system that was installed when the 9-1-1 Call Center moved locations;

(Cont'd)

**6. (Cont'd)**

- B. Authorize the Executive Director of the Successor Agency to execute a contract with the City's Downtown Parking Program in the amount of \$12,313.40 to provide required construction renovations to the second floor of the Granada Garage offices located at 1221 Anacapa Street related to the relocation of the 9-1-1 Call Center; and
- C. Authorize the Executive Director of the Successor Agency to increase Contract No. 24,698 with the Facilities Division by \$10,000, for a total of \$54,000, to relocate the existing Toshiba Battery Backup System (UPS) from the Police Department location at 215 East Figueroa Street to the Central Library located at 40 East Anapamu, in order to serve the relocated 9-1-1 Call Center.

Action: Approved the recommendations; Contract Nos. 25,448, 25,449 and 24,698.1 (March 22, 2016, report from the Public Works Director).

**NOTICES**

- 7. The City Clerk has on Thursday, March 17, 2016, 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.
- 8. Recruitment For City Advisory Groups:
  - A. The City Clerk's Office will accept applications through Monday, May 2, 2016, at 5:30 p.m. to fill scheduled vacancies on various City Advisory Groups and the unscheduled vacancies resulting from resignations received in the City Clerk's Office through Tuesday, March 29, 2016;
  - B. The City Council will conduct interviews of applicants for vacancies on various City Advisory Groups on Tuesday, May 17, 2016, at 4:00 p.m. (Estimated Time), Tuesday, May 24, 2016, at ~~4:00~~ 6:00 p.m. (Estimated Time), and Tuesday, June 14, 2016, at ~~6:00~~ 2:00 p.m. ; and
  - C. The City Council will make appointments to fill the vacancies on various City Advisory Groups on Tuesday, June 28, 2016.

This concluded the Consent Calendar.

**CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS**

**CITY ADMINISTRATOR**

**9. Subject: Presentation Of Southern California Edison Reliability Program (380.01)**

Recommendation: That Council receive a presentation by Southern California Edison on their Downtown Santa Barbara Reliability Project.

(Cont'd)

9. **(Cont'd)**

Documents:

- March 22, 2016, report from the City Administrator.
- March 22, 2016, PowerPoint presentation prepared and made by Southern California Edison Company.

Speakers:

Southern California Edison Company: Rondi Guthrie, Alicia Pillado, Carolina Gonzalez, Brian Deppen, Cathy Hart.

Discussion:

Southern California Edison staff presented information regarding the Santa Barbara Downtown Reliability Project, including an overview of circuits, status of the project, timeline, and their communication plan with the community. The Councilmembers' questions were answered.

PUBLIC WORKS DEPARTMENT

**10. Subject: Contract For Construction Of El Estero Wastewater Treatment Plant Secondary Process Improvements Project (540.13)**

Recommendation: That Council:

- A. Increase estimated revenues and appropriations in the Wastewater State Revolving Fund Installment Sale Agreement Fund by \$2,506,426 to construct the El Estero Wastewater Treatment Plant Secondary Process Improvements Project, for a total amount of \$31,438,033, to be funded by State Revolving Fund Installment Sale Agreement proceeds;
- B. Waive minor bid irregularities and award a contract with Stanek Constructors, Inc., in their low bid amount of \$21,710,000 for construction of the El Estero Wastewater Treatment Plant Secondary Process Improvements Project, Bid No. 3737, and authorize the Public Works Director to execute the contract and approve expenditures up to \$2,171,000 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;
- C. Authorize the Public Works Director to execute a contract with MNS Engineers, Inc., in the amount of \$2,490,300 for construction management services, and approve expenditures of up to \$249,030 for extra services of MNS Engineers, Inc., that may result from necessary changes in the scope of work;
- D. Authorize the Public Works Director to execute a contract with Brown and Caldwell in the amount of \$1,655,108 for construction support services, and approve expenditures of up to \$165,510 for extra services of Brown and Caldwell that may result from necessary changes in the scope of work; and

(Cont'd)

**10. (Cont'd)**

- E. Authorize the Public Works Director to execute a contract with Dudek in the amount of \$62,211.16 for environmental monitoring and support services, and approve expenditures of up to \$6,221 for extra services of Dudek that may result from necessary changes in the scope of work.

Documents:

- March 22, 2016, report from the Public Works Director.
- March 22, 2016, PowerPoint presentation prepared and made by Staff.

Speakers:

- Staff: Water Resources Manager Joshua Haggmark, Wastewater Treatment Plant Chief Operator Thomas Welch.
- Members of the Public: Hillary Hauser, Heal the Ocean.

Motion:

Councilmembers White/Hart to approve the recommendations; Contract Nos. 25,450 – 25,453.

Vote:

Unanimous voice vote.

**11. Subject: Stage Three Drought Update (540.05)**

Recommendation: That Council receive an update on the status of the current drought, drought-response capital projects, and continuing conservation efforts.

Documents:

- March 22, 2016, report from the Public Works Director.
- March 22, 2016, PowerPoint presentation prepared and made by Staff.

Speakers:

Staff: Water Resources Manager Joshua Haggmark, Water Conservation Coordinator Madeline Ward.

Discussion:

Staff provided an update on the Stage Three Drought, including a 3-month weather forecast of above-average temperatures, rainfall total as of March 14, 2016, water usage for the month of February (which was a 30% reduction with a 34% cumulative average monthly demand reduction), water supply strategy, drought response capital projects, and the water conservation program. Staff answered the Councilmembers' questions.

**12. Subject: Subsurface Desalination Intake Initial Screening Analysis And Potable Reuse Feasibility Study Status Report Update (540.10)**

Recommendation: That Council receive an update on the status of the Subsurface Desalination Intake Initial Screening Analysis and Potable Reuse Feasibility Study.

Documents:

- March 22, 2016, report from the Public Works Director.
- March 22, 2016, PowerPoint presentation prepared and made by Staff.

Speakers:

- Staff: Water System Manager Catherine Taylor, Water Resources Manager Joshua Haggmark.
- Members of the Public: James Hawkins, Heal the Ocean; Kira Redmond, Santa Barbara Channelkeeper.

Discussion:

Staff presented background information for the feasibility study, including work authorizations, subsurface intake initial screening analysis and a summary of the workshops. Staff also spoke about the next steps and answered questions from the Councilmembers.

**COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

Information:

- Councilmember White reported on his attendance at the following meetings: 1) SBCAG (Santa Barbara County Association of Governments), where they heard a report on commuter rail; 2) Air Pollution Control District, where they discussed a successful test project to slow down ships to reduce air pollution and whale strikes; and 3) Cachuma Conservation Release Board, where they appointed Dale Francisco as Interim General Manager.
- Mayor Schneider spoke about her attendance at the LOSSAN Board meeting where they discussed the rail system from San Luis Obispo to San Diego.

**RECESS**

Mayor Schneider recessed the meeting at 5:50 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 13. She stated no reportable action is anticipated.

## CLOSED SESSIONS

### 13. Subject: Conference With City Attorney - Anticipated Litigation (160.03)

Recommendation: That Council hold a closed session to consider anticipated litigation pursuant to subsections 54956.9(d)(2) and (e)(2) of the Government Code and take appropriate action as needed. Significant exposure to litigation arising out of potential design error and contract dispute for the El Estero Waste Water Treatment Plant Tertiary Filtration Project with Schock Contracting Corporation.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

Documents:

March 22, 2016, report from the City Attorney.

Time:

5:51 p.m. – 6:10 p.m. Councilmember Dominguez entered the meeting at 5:55 p.m.

No report made.

## RECESS

6:10 p.m. – 6:19 p.m.

Mayor Schneider presiding.

Councilmembers present: Dominguez, Hart, Hotchkiss, Murillo, Rowse, White, Mayor Schneider.

Councilmembers absent: None.

Staff present: City Administrator Casey, City Attorney Knecht, Deputy City Clerk Alcazar.

## PUBLIC COMMENT

No one wished to speak.

## PUBLIC HEARINGS

### 14. Subject: Community Development And Human Services Committee Recommendations For Fiscal Year 2017 And Annual Action Plan Public Hearing (610.05)

Recommendation: That Council:

- A. Approve the Fiscal Year 2017 funding recommendations of the Community Development and Human Services Committee for use of Human Services and Community Development Block Grant funds;

(Cont'd)

**14. (Cont'd)**

- B. Authorize the Community Development Director to negotiate and execute grant agreements implementing the funding recommendations, subject to the review as to form by the City Attorney; and
- C. Conduct a public hearing to obtain input on the City's Annual Action Plan for Fiscal Year 2017.

Documents:

- March 22, 2016, report from the Community Development Director.
- Community Development and Human Services Committee (CDHSC) Report on Funding Recommendations Fiscal Year 2016-2017.
- March 22, 2016, PowerPoint presentation prepared and made by Staff.

Public Comment Opened:

6:20 p.m.

Speakers:

- Staff: Community Development Programs Specialist Elizabeth Stotts.
- Community Development and Human Services Committee: Chair Steven Faulstich.
- Members of the Public: Tom Widroe, City Watch; SBAA and Youth Employment Program: Gabriel Cardenas, Rosalie Rodriguez and Hattie Rodriguez; Business Manager Jennifer Griffin, Independent Living Resource Center; CEO Marsha Bailey, Women's Economic Ventures; Anne Kratz, Santa Barbara Neighborhood Clinics; Development Director Denise Hinkle, Family Service Agency; Molly Green, AHA!; James Kyriaco, New Beginnings; Executive Director Fran Forman, Community Action Commission; Executive Director Lynn Karlson, Youth and Family Services CIYMCA; Executive Director Heidi Holly, Friendship Center; Grant Coordinator Sandy Delos, Domestic Violence Solutions; Jennifer Smith, Planned Parenthood; Program Director Idalia Gomez, Santa Barbara Rape Crisis Center; Planned Parenthood: Diyana Dobberteen and Catelynn Kenner; Lee Sherman, Foodbank; Grant Writer Susan Murray, St. Vincent's; Lexi, Planned Parenthood.

Public Comment Closed:

7:02 p.m.

Motion:

Councilmembers Rowse/Hotchkiss to approve the recommendations A and B.

Vote:

Unanimous voice vote.

(Cont'd)

**14. (Cont'd)**

Based on the recommendations, the Council approved allocation of funding as follows:

FISCAL YEAR 2016-2017  
COMMUNITY DEVELOPMENT BLOCK GRANT AND HUMAN SERVICES  
COMMITTEE FUNDING AGREEMENTS

<b>ORGANIZATION</b>	<b>AMOUNT</b>	<b>AGREEMENT NO.</b>
<u>Public/Human Services Category Priority 1</u>		
Transition House	\$50,000	25,454
Foodbank	\$10,000	25,455
SB Neighborhood Clinics	\$34,000	25,456
Foodbank	\$25,000	25,457
Unitarian Society (Fiscal Umbrella)	\$40,000	25,458
Sarah House Santa Barbara	\$25,000	25,459
Carrillo Counseling Services, Inc.	\$26,556	25,460
Youth and Family Services CIYMCA	\$20,000	25,461
SB County District Attorney's Office	\$7,000	25,462
Planned Parenthood	\$10,000	25,463
Domestic Violence Solutions	\$30,500	25,464
PATH	\$41,344	25,465
PATH	\$44,656	25,466
Youth and Family Services CIYMCA	\$20,000	25,467
Domestic Violence Solutions	\$8,000	25,468
Council on Alcoholism and Drug Abuse	\$16,500	25,469
Salvation Army	\$20,500	25,470
St. Vincent's	\$10,000	25,471
Community Action Commission	\$10,500	25,472
WillBridge.	\$22,500	25,473
Legal Aid Foundation	\$22,000	25,474
Parks and Recreation Dept.	\$10,000	25,475
Parks and Recreation Dept.	\$7,500	25,476
Peoples' Self-Help Housing	0	
SB Community Housing Corp	0	
Casa Serena, Inc.	0	
PathPoint	0	

(Cont'd)

14. (Cont'd)

<b>ORGANIZATION</b>	<b>AMOUNT</b>	<b>AGREEMENT NO.</b>
<u>Public/Human Services Category Priority 2</u>		
Transition House	\$15,000	25,477
Child Abuse Listening Mediation	\$27,500	25,478
Family Service Agency	\$10,000	25,479
Family Service Agency	\$5,500	25,480
Future Leaders of America	\$10,000	25,481
Family Service Agency	\$21,000	25,482
Legal Aid Foundation	\$34,000	25,483
Family Service Agency	\$6,750	25,484
Rental Housing Mediation Program	\$24,000	25,485
Santa Barbara Rape Crisis Center	\$34,000	25,486
Jodi House, Inc.	\$18,000	25,487
Independent Living Resource Center	\$14,500	25,488
Carrillo Counseling Services, Inc.	\$17,000	25,489
Future Leaders of America	\$12,000	25,490
Girls Incorporated	\$12,500	25,491
Friendship Adult Day Care Center, Inc.	\$15,500	25,492
AHA!	\$12,000	25,493
Boys & Girls Club of Santa Barbara	\$12,000	25,494
Mental Health Association	\$11,250	25,495
Santa Barbara Police Activities League	\$9,500	25,496
Santa Barbara Police Activities League	\$12,750	25,497
Teddy Bear Cancer Foundation	\$5,000	25,498
Sanctuary Centers	0	
United Cerebral Palsy WORK, Inc.	0	
William Sansum Diabetes Center	0	
Center for Successful Aging	0	
Storyteller Children's Center	0	
<u>Capital/Economic Development</u>		
Santa Barbara Neighborhood Clinics	\$34,939	25,499
Santa Barbara Neighborhood Clinics	\$6,611	25,500
Santa Barbara Neighborhood Clinics	\$16,486	25,501
Santa Barbara Neighborhood Clinics	\$33,977	25,502
Santa Barbara Neighborhood Clinics	\$6,732	25,503
Domestic Violence Solutions	\$13,254	25,504
City of Santa Barbara Public Works	\$165,990	25,505
Women's Economic Ventures	\$45,000	25,506
Family Service Agency	\$146,671	25,507
City of Santa Barbara Parks and Recreation	\$126,366	25,508
Council on Alcoholism and Drug Abuse	0	
Girls Incorporated	0	
Jewish Federation	0	

**ADJOURNMENT**

Mayor Schneider adjourned the meeting at 7:08 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

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

ATTEST: \_\_\_\_\_  
BRENDA ALCAZAR, CMC  
DEPUTY CITY CLERK



# CITY OF SANTA BARBARA CITY COUNCIL MINUTES

## REGULAR MEETING March 29, 2016 COUNCIL CHAMBER, 735 ANACAPA STREET

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### CALL TO ORDER

Mayor Helene Schneider called the meeting to order at 2:01 p.m. (The Finance and Ordinance Committees, which ordinarily meet at 12:30 p.m., did not meet on this date.)

### PLEDGE OF ALLEGIANCE

Mayor Schneider.

### ROLL CALL

Councilmembers present: Jason Dominguez, Gregg Hart, Randy Rowse, Bendy White, Mayor Schneider.

Councilmembers absent: Frank Hotchkiss, Cathy Murillo.

Staff present: City Administrator Paul Casey, Acting City Attorney Sarah Knecht, Deputy City Clerk Susan Tschech.

### CEREMONIAL ITEMS

**1. Subject: Proclamation Declaring March 29, 2016, As Arbor Day (120.04)**

Action: Proclamation presented to Ricardo Castellanos, President of Santa Barbara Beautiful.

### PUBLIC COMMENT

Speakers: Pete Dal Bello; Jaclyn Fortini; Tom Widroe, City Watch; Bernard Unterman, Safer on Sola; Kenneth Loch; Brooke Hobbs, Conflict Solutions Center.

## **CONSENT CALENDAR (Item Nos. 2 – 13)**

The titles of ordinances and resolutions related to Consent Calendar items were read.

Motion:

Councilmembers White/Rowse to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Councilmembers Hotchkiss, Murillo).

**2. Subject: Adoption Of Municipal Code Amendment To Allow The Combination Of Discrete Water, Sewer And Refuse Services Onto One Utility Bill (210.01)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Section 7.16.320, Billing and Collection, of the Santa Barbara Municipal Code to Allow the City, At Its Own Discretion, to Join Discrete Water, Sewer and/or Refuse Accounts When the Discrete Accounts Contain Corresponding Customer Identification Information and Corresponding Service Locations.

Action: Approved the recommendation; Ordinance No. 5741.

**3. Subject: Approval Of Extension For The South Coast Energy Efficiency Partnership Agreement (380.01)**

Recommendation: That Council introduce and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Authorizing the Public Works Director to Execute a Third Amendment to the 2010-2015 Energy Partnership Agreement Between Southern California Edison, the Southern California Gas Company, and the City of Santa Barbara to Cover the 2016 Transition Period.

Action: Approved the recommendation (March 29, 2016, report from the Public Works Director; proposed ordinance).

**4. Subject: Records Destruction For Police Department (160.06)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Relating to the Destruction of Records Held by the Police Department.

Action: Approved the recommendation; Resolution No. 16-013 (March 29, 2016, report from the Interim Police Chief; proposed resolution).

**5. Subject: Waterfront Household Hazardous Waste Grant (630.01)**

Recommendation: That Council:

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Waterfront Director to Submit an Application to the California Department of Resources Recycling and Recovery (CalRecycle) for all Household Hazardous Waste Grants (HHW Grants) for Which the City of Santa Barbara Waterfront Department is Eligible; and
- B. Authorize the Waterfront Director or his/her designee to execute in the name of the City of Santa Barbara all grant documents, including, but not limited to, applications, agreements, amendments and requests for payment, necessary to secure grant funds and implement the approved grant project for Fiscal Year 2017 and for each of the following four fiscal years.

Action: Approved the recommendations; Resolution No. 16-014; Agreement No. 25,509 (March 29, 2016, report from the Waterfront Director; proposed resolution).

**6. Subject: Authorization For The Allocation Of The City's Share Of Transportation Development Act Funds For Bicycle And Pedestrian Projects (530.04)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Filing of a Claim with the Santa Barbara County Association of Governments for Allocation of \$73,143 in Transportation Development Act Funds for Fiscal Year 2017.

Action: Approved the recommendation; Resolution No. 16-015 (March 29, 2016, report from the Public Works Director; proposed resolution).

**7. Subject: Fiscal Year 2016 Interim Financial Statements For The Seven Months Ended January 31, 2016 (250.02)**

Recommendation: That Council accept the Fiscal Year 2016 Interim Financial Statements for the Seven Months Ended January 31, 2016.

Action: Approved the recommendation (March 29, 2016, report from the Finance Director).

**8. Subject: February 2016 Investment Report (260.02)**

Recommendation: That Council accept the February 2016 Investment Report.

Action: Approved the recommendation (March 29, 2016, report from the Finance Director).

**9. Subject: Appropriation Of Funds For Payment Of Attorney's Fees And Damages Related To Debra Corral, Trustee vs. City Of Santa Barbara (350.05)**

Recommendation: That Council increase appropriations in the General Fund, Community Development Department, in the amount of \$509,468.43 to cover the cost of the settlement and attorney's fees and costs to the plaintiff, Debra Corral, to be funded from General Fund reserves.

Speakers:

- Members of the Public: Tom Widroe, City Watch.
- Staff: Assistant City Attorney Tava Ostrenger, Chief Building Official Andrew Stuffer.

Action: Approved the recommendation (March 29, 2016, report from the City Attorney).

**10. Subject: Increase In Construction Change Order Authority For The Airfield Lighting And Safety Project (560.04)**

Recommendation: That Council authorize an increase in the Public Works Director's Change Order Authority to approve expenditures for extra work for the Airfield Lighting and Safety Project, Contract No. 25,262 with Cindy Bales Engineering, and Contract No. 25,263 with Mead & Hunt, in the amounts of \$203,030 and \$55,750 respectively, for a total increase in project expenditure authority of \$258,780.

Action: Approved the recommendation (March 29, 2016, report from the Public Works Director).

**11. Subject: Increase In Construction Change Order Authority For Fire Training Facility (520.03)**

Recommendation: That Council authorize an increase in the Public Works Director's change order authority to approve expenditures for extra work for the Live-Fire Training Facilities Site Work Project, Contract No. 25,315 with Hanly General Engineering Corporation, in the amount of \$6,611.00, for a total project expenditure authority of \$104,763.50.

Action: Approved the recommendation (March 29, 2016, report from the Public Works Director).

**NOTICES**

12. The City Clerk has on Thursday, March 24, 2016, 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.

13. Cancellation of the regular City Council meeting of April 5, 2016.

This concluded the Consent Calendar.

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

### CITY ADMINISTRATOR

**14. Subject: Presentation From Visit Santa Barbara (180.02)**

Recommendation: That Council receive a presentation from Visit Santa Barbara on activities to market and promote Santa Barbara as a destination.

Documents:

- March 29, 2016, report from the City Administrator.
- PowerPoint presentation prepared and made by Visit Santa Barbara.

Speakers:

Visit Santa Barbara: President and CEO Kathy Janega-Dykes.

Discussion:

Ms. Janega-Dykes presented information on the current state of the local tourism industry, travel trends, several highlights of Visit Santa Barbara's 2015-16 program, and Visit Santa Barbara's assistance in both air service and destination development. Councilmembers' questions were answered.

### POLICE DEPARTMENT

**15. Subject: Police Department Update (520.04)**

Recommendation: That Council receive an oral presentation from the Interim Police Chief regarding the Santa Barbara Police Department.

Documents:

- March 29, 2016, report from the Interim Police Chief.
- PowerPoint presentation prepared and made by Staff.

Speakers:

- Staff: Interim Police Chief John Crombach, Police Sergeant Riley Harwood, City Administrator Paul Casey.
- Members of the Public: Elizabeth Guerrero.

(Cont'd)

**15. (Cont'd)**

Discussion:

Chief Crombach provided information about recruitment efforts to fill a significant number of current vacancies in the department; activities of the Patrol Division, including directed patrols in the downtown area, camp cleanup, and restorative policing; and important events in cases overseen by the Investigative Division. He also presented statistics related to several categories of crime. Councilmembers' questions were answered.

**COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS**

Information:

- Mayor Schneider commended and thanked City employees Nina Johnson (Assistant to the City Administrator) and Tony Ruggieri (City TV Production Supervisor) for their assistance in last week's presentation of the State of the City address.
- Councilmember Rowse commented on his attendance at a presentation of the status of the Cabrillo Bridge replacement project.
- Councilmember White reported that at its most recent meeting, the Cachuma Operation and Maintenance Board discussed several infrastructure issues and the ongoing steelhead mitigation effort.
- Councilmember Hart reported that the Beach Erosion Authority for Clean Oceans and Nourishment (BEACON) is working to revamp its mission and expand the services it provides to its members.

**ADJOURNMENT**

Mayor Schneider adjourned the meeting at 3:36 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA  
CITY CLERK'S OFFICE

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

ATTEST: \_\_\_\_\_  
SUSAN TSCHECH, CMC  
DEPUTY CITY CLERK

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

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE THE LAND PURCHASE AGREEMENT, ESCROW INSTRUCTIONS, AND GRANT DEED FOR THE SALE OF CERTAIN CITY EXCESS LAND, LOCATED AT 221 WEST COTA STREET, TO SARINTHA BELL IN THE AMOUNT OF \$701,550

WHEREAS, at its meeting of April 9, 2013, the City Council approved by adoption of resolution the property acquisitions for 221 West Cota and 536 Bath Streets related to the Cota Street Bridge Replacement Project;

WHEREAS, at its meeting of July 14, 2015, the City Council declared the properties at 221 and 230 West Cota Street, and 536 Bath Street to be excess to the City's needs and subject to disposal by public auction, and to negotiate final terms in accordance with the Santa Barbara City Charter Section 520 and Chapter 4.28 of the Santa Barbara Municipal Code subject to the review and approval by the City Attorney;

WHEREAS, on March 22, 2016, the City of Santa Barbara has duly noticed and conducted a public auction in the City Public Works Main Conference Room, 630 Garden Street, pursuant to Santa Barbara Municipal Code Chapter 4.28;

WHEREAS, Sarintha Bell, having been the successful bidder at said auction, has executed and delivered a Land Purchase Agreement and Escrow Instructions for the purchase of said excess City land; and

WHEREAS, City Charter Section 520 requires the approval of the disposal of this excess City land by Council's adoption of an approving ordinance.

NOW THEREFORE, THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. That the City Administrator is authorized to execute the Land Purchase Agreement, Escrow Instructions, and any related documents, including Grant Deed, between the City of Santa Barbara and Sarintha Bell, pertaining to the sale of certain City excess land located at 221 West Cota Street, is hereby approved;

SECTION 2. That upon the successful completion of escrow, and upon the effective date of this Ordinance, First American Title Co. Inc., is authorized to record the Grant Deed for said excess City land in the Official Records, in the office of the County Recorder, Santa Barbara County; and

SECTION 3. That this Ordinance shall be subject to referendum.

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

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AND AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE THE LAND PURCHASE AGREEMENT, ESCROW INSTRUCTIONS, AND GRANT DEED FOR THE SALE OF CERTAIN CITY EXCESS LAND, LOCATED AT 230 WEST COTA STREET, TO ASHLEY NICOLE MINES AND BRAD TRAVIS MOORE IN THE AMOUNT OF \$736,032

WHEREAS, at its meeting of July 16, 2013, the City Council approved by adoption of resolution the property acquisitions for 230 West Cota Street related to the Cota Street Bridge Replacement Project;

WHEREAS, at its meeting of July 14, 2015, the City Council declared the properties at 221 and 230 West Cota Street, and 536 Bath Street to be excess to the City's needs and subject to disposal by public auction, and to negotiate final terms in accordance with the Santa Barbara City Charter Section 520 and Chapter 4.28 of the Santa Barbara Municipal Code subject to the review and approval by the City Attorney;

WHEREAS, on March 23, 2016, the City of Santa Barbara has duly noticed and conducted a public auction in the City Public Works Main Conference Room, 630 Garden Street, pursuant to Santa Barbara Municipal Code Chapter 4.28;

WHEREAS, Ashley Nicole Mines and Brad Travis Moore, having been the successful bidders at said auction, have executed and delivered a Land Purchase Agreement and Escrow Instructions for the purchase of said excess City land; and

WHEREAS, City Charter Section 520 requires the approval of the disposal of this excess City land by Council's adoption of an approving ordinance.

NOW THEREFORE, THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1. That the City Administrator is authorized to execute the Land Purchase Agreement, Escrow Instructions, and any related documents, including Grant Deed, between the City of Santa Barbara and Ashley Nicole Mines and Brad Travis Moore, pertaining to the sale of certain City excess land located at 230 West Cota Street;

SECTION 2. That upon the successful completion of escrow, and upon the effective date of this Ordinance, First American Title Co. Inc., is authorized to record the Grant Deed for said excess City land in the Official Records, in the office of the County Recorder, Santa Barbara County; and

SECTION 3. That this Ordinance shall be subject to referendum.

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

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING THE APPROVAL AND EXECUTION BY THE PUBLIC WORKS DIRECTOR OF AMENDMENT NO. 1 TO THE INSTALLMENT SALE AGREEMENT FOR THE AIR PROCESS IMPROVEMENT PROJECT CLEAN WATER STATE REVOLVING FUND PROJECT NO. 7857-110 AGREEMENT NO. 14-809-550.

WHEREAS, in order to finance the Air Process Improvement Project, the City and State Water Board entered into an Installment Sale Agreement for a maximum principal amount of \$20 million dated as of July 28, 2014;

WHEREAS, through the Installment Sale Agreement, the State Water Board will provide the funds necessary to construct the Air Process Improvement Project which funds will be repaid by the City in equal annual installments together with 1.9 percent interest accruing thereon, from the Wastewater Fund Net System Revenues for twenty (20) years, will be beginning one year after completion of construction;

WHEREAS, the City wishes to increase the maximum principal amount of the Installment Sale Agreement to \$31,388,033; and

WHEREAS, the City Council of the City of Santa Barbara (the "City Council") has been presented with the form of Amendment No. 1 to the Installment Sale Agreement dated as of February 29, 2016, and the City Council has examined and approved such document and desires to authorize and direct the execution of such document.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

Section 1. ALL of the recitals herein contained are true and correct, and the City Council so finds.

Section 2. The form of Amendment No. 1 to the Installment Sale Agreement, on file with the City Clerk, is hereby approved, and the Public Works Director of the City and any such other officer of the City as the Public Works Director may designate (the "Authorized Officers"), are each hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver Amendment No. 1 to the Installment Sale Agreement dated as of February 29, 2016, in substantially said form with such changes therein as the Authorized Officer executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that the principal amount of the Installment Payments shall not exceed \$31,388,033, the final Installment Payment shall be payable no later than twenty years following the notice of completion of construction of the Project and the true interest cost of the interest on the Installment Payments shall not exceed 1.9 percent per annum.

Section 3. The Authorized Officers are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable in order to consummate the transactions herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of this Ordinance. All actions heretofore taken by the officers, employees, and agents of the City with respect to the transactions set forth above are hereby approved, confirmed, and ratified.

Section 4. The Mayor shall sign and the City Clerk shall attest to the passage of this Ordinance. The City Council hereby orders that, in lieu of the publication of this Ordinance once in the official newspaper of the City within 15 days after its adoption, this Ordinance shall be published by title only once in the official newspaper of the City within 15 days after its adoption, provided that the full text shall be available to the public at the City Clerk's Office, and such publication by title only shall so state. This Ordinance shall become effective 30 days from and after the date of its adoption.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 19, 2016

**TO:** Mayor and Councilmembers

**FROM:** Administrative Services Department

**SUBJECT:** State And Federal Criminal History Checks For New Employees

### **RECOMMENDATION:**

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Rescinding Resolution No. 12-067 and Adopting A Resolution Authorizing the City of Santa Barbara to Have Access to State and Federal Level Summary Criminal History Information Through The California Department of Justice for Employment Purposes for All Regular Employees and Hourly Employees for Specific Positions and State Level Summary Criminal History Information for All Other Hourly Employees.

### **DISCUSSION:**

California Penal Code Sections 11105(b) and 13300(b) provide that cities and other agencies may have access to California Department of Justice ("DOJ") criminal history information for employment purposes when that information is needed to comply with a statute, ordinance, or regulation that expressly refers to specific criminal conduct. For these same purposes, these sections provide that the City may also obtain access to federal criminal background information from the Federal Bureau of Investigation ("FBI").

Santa Barbara Municipal Code (SBMC) Section 3.16.070 provides that conviction of a felony or a misdemeanor shall be prima facie disqualification of an applicant for employment by the City of Santa Barbara, and SBMC 3.16.070.5 authorizes certain City officials to have access to applicants' criminal history information. The existence of a criminal record is not necessarily a bar to City employment. Rather, the City is permitted to consider mitigating circumstances in making such a determination.

Other statutes require the City to seek criminal history information, too. For example, California Public Resources Code Section 5164, which prohibits a city from hiring potential employees or volunteers that have been convicted of certain criminal offenses if the employee or volunteer will perform services at park and recreational facilities and have supervisory or disciplinary authority over minors. The Fire Department is required by regulation to access criminal history information for the purposes of EMT licensing and/or certification.

### Current Practice

All applicants for regular and hourly City employment are asked to disclose any felony and misdemeanor convictions.

Currently, the City also secures a fingerprint criminal history check through the DOJ's normal administrative process for new regular employees. Out-of-state fingerprint checks are only performed when a new employee has disclosed that he or she has worked or lived in another state, and the check is limited to that state. Only police department employees, other peace officers (e.g., harbor and airport patrol), and firefighters are subject to federal FBI criminal records checks as part of the background investigation process.

Certain hourly employees (e.g., Recreation employees working with children and peace officers) are put through the same records check as regular employees. For other hourly employees, no fingerprint check is completed. Rather, the Police Department runs the employee's name and other identifying information through local arrest and conviction records.

### Recommended Change

City staff recommends that the following fingerprint records checks be performed:

- Fingerprint records check of state DOJ databases for all hourly employees;
- An expanded fingerprint records check of federal FBI databases for all regular employees.

Using federal FBI database information will improve the efficiency and accuracy of out-of-state records checks and include any criminal history in any state. The City is required to obtain a City Council resolution authorizing receipt of federal criminal background information. This new Resolution will provide the DOJ with the City Council's authorization for approved staff to access state and federal criminal background records.

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

There is a \$32 fee per employee to run California state DOJ background checks. It will require approximately \$5,600 per year to include 175 new hourly employees in the statewide DOJ background check process.

There is an additional charge of \$17 per employee to add federal background check information to the statewide DOJ check; it will require \$1,190 per year to include 70 new regular employees in the federal background check.

Funds are available to cover these costs for Fiscal Year 2016, and new funding will be included in the proposed 2017 Administrative Services budget.

**PREPARED BY:** Jennifer Jennings, Administrative Analyst

**SUBMITTED BY:** Kristine Schmidt, Administrative Services Director

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

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

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA RESCINDING RESOLUTION NO. 12-067 AND ADOPTING A RESOLUTION AUTHORIZING THE CITY OF SANTA BARBARA TO HAVE ACCESS TO STATE AND FEDERAL LEVEL SUMMARY CRIMINAL HISTORY INFORMATION THROUGH THE CALIFORNIA DEPARTMENT OF JUSTICE FOR EMPLOYMENT PURPOSES FOR ALL REGULAR EMPLOYEES AND HOURLY EMPLOYEES FOR SPECIFIC POSITIONS AND STATE LEVEL SUMMARY CRIMINAL HISTORY INFORMATION FOR ALL OTHER HOURLY EMPLOYEES

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) authorize cities, counties, districts and joint powers authority to access state and local summary criminal history information for employment, licensing or certification purposes; and

WHEREAS, Penal Code Section 11105(b)(11) authorizes cities, counties, districts and joint powers authorities to access federal level criminal history information by transmitting fingerprinting images and related information to the Department of Justice to be transmitted to the Federal Bureau of Investigation; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require the city council, board of supervisors, governing body of a city, county or district or joint powers authority to specifically authorize access to summary criminal history information for employment, licensing, or certification purposes; and

WHEREAS, Penal Code Sections 11105(b)(11) and 13300(b)(11) require that there be a requirement or exclusion from employment, licensing, or certification based on specific criminal conduct on the part of the subject of the records; and

WHEREAS, Santa Barbara Municipal Code Section 3.16.070.5 provides for authorized officers of the City of Santa Barbara to access and use criminal history information for employment purposes, pursuant to Penal Code Section 11105.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Santa Barbara that:

(1) Resolution No. 12-067 and Resolution No. 12-063 are rescinded; and

(2) The City of Santa Barbara is hereby authorized to access state and federal level summary criminal history information for employment purposes of any and all employees (including volunteers, hourly, and contract employees); and

(3) The City of Santa Barbara Fire Department is hereby authorized to access state and federal level summary criminal history information for the purposes of EMT licensing and/or certification; and

(4) The City may not disseminate the information to a private entity.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 19, 2016

**TO:** Mayor and Councilmembers

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

**SUBJECT:** Purchase Order For Zero Discharge Water Distribution System Flushing Services

### **RECOMMENDATION:**

That Council authorize the General Services Manager to execute a Sole Source Purchase Order with ValveTek Utility Services, Inc., as authorized by Municipal Code Section 4.52.070 (k), in the not-to-exceed amount of \$498,952 for zero discharge water distribution system flushing services.

### **DISCUSSION:**

#### Background

The Water Resources Division maintains approximately 300 miles of water distribution mains. Standard industry practice is to annually clean the water mains by flushing the system to remove sediment and biofilm that naturally builds up in the system. An effective water main flushing program is fundamental to maintaining water quality in the water distribution system and helping to ensure customer satisfaction.

The Water Resources Division has historically conducted an annual flushing program using conventional methods, whereby water is systematically flushed from fire hydrants and de-chlorinated before flowing to storm drains. The flushing program was suspended in 2013 because of the ongoing drought. As a result, many water customers in the downtown area have recently experienced water quality issues such as off-colored and/or poor tasting and smelling water. While the water is safe to drink, these aesthetic water complaints are the result of not regularly flushing the distribution system.

Staff has investigated effective water-conserving technologies for flushing the water distribution system. Staff contacted ValveTek Utility Services, Inc. (ValveTek), which offers the patented No-Des technology as a unique solution for flushing water mains that can be done without discharging water. The process involves filtering water at a scouring velocity of five feet per second through a mobile filtration unit, and returning the water back into the water distribution system.

ValveTek is currently the only domestic certified company authorized to flush water mains using the patented No-Des water filtering technology. ValveTek has successfully cleaned other water systems, including at San Jose Water and the cities of Pasadena, Manhattan Beach, and Huntington Beach. The No-Des technology has been recognized by the State Water Resources Control Board (SWRCB) as an approved method for flushing water distribution systems. Staff has looked at other technologies, but none have the water-conserving capabilities of the No-Des technology.

On March 4, 2016, ValveTek demonstrated the No-Des water distribution flushing technology in an Eastside neighborhood that was prioritized by staff for cleaning. Water customers in the demonstration area were notified in advance of the work. ValveTek's demonstration flushed approximately 1.5 miles of the water distribution system and conserved over 100,000 gallons of water that would have been lost using conventional flushing methods. Staff received no customer calls about water quality concerns or service disruptions during the flushing demonstration.

#### Project Description

The City's water mains in the "Low Zone," or the City's lower elevations (see Attachment) have the greatest need for flushing. The Low Zone is comprised of approximately 140 miles of water main and is the area that has received the greatest number of complaints from water customers. Additionally, the Low Zone needs to be flushed in advance of reactivating the Charles E. Meyer Desalination Plant, anticipated for October 2016.

While the impacts of introducing desalinated water to the water distribution system are not fully known, staff anticipates that pushing the desalinated water into the system will stir up scaling or sediments in the pipes. Flushing the Low Zone in advance of the desalination plant being put into service would help minimize water quality concerns.

Staff recommends that Council find it to be in the City's best interest to waive the formal bidding process, as authorized by Municipal Code Section 4.52.070 (k), and to authorize the Public Works Director to issue a purchase order with ValveTek for water distribution system flushing services in a not-to-exceed amount of \$498,952. The system maintenance work would include flushing the Low Zone and having ValveTek available on an on-call basis to respond to water quality complaints related to putting the desalination plant into service.

The City would reserve the right to obtain a competitive quote for water main flushing maintenance, in the event that a new domestic company who is certified and authorized to flush water mains using a comparable technology becomes available, provided that they can offer an economical alternative for the Water Resources Division.

Community Outreach

Various forms of public notification would be used to inform water customers, including: press releases, individual residential/business postcards and/or door hangers, Next Door posts, City website announcements, and City News in Brief articles. In addition, staff would comply with any SWRCB notification requests.

Cost and Funding

Staff has received an acceptable proposal from ValveTek to flush 140 miles of water main in the Low Zone for a rate of \$3,900 per day, which includes labor, equipment, traffic control, and related costs to successfully perform the flushing work, plus an estimated \$500 per day for filter element replacements. The anticipated flushing rate is 1.5 miles per day, with the base bid work to be completed in 94 days. Staff recommends including an additional 20 days for ValveTek to provide on-call services during startup of the desalination plant. There are sufficient appropriated funds in the Water Fund to cover these costs.

**ESTIMATED PROJECT COST**

<b>Item</b>	<b>Quantity</b>	<b>Cost</b>
Base Bid: \$3,900/day	94 day	\$366,600
Filter Sets for Base Bid: \$156/set (3 sets/day)	282 sets	\$43,992
On-call services for Desal Plant Start-up: \$3,900/day	20 days	\$78,000
Filter Sets for On-call services: \$156/set @ 3 sets/day	60 sets	\$9,360
Mobilization	1 event	\$1,000
<b>ESTIMATED PROJECT COST</b>		<b>\$498,952</b>

Costs and quantities are based on cleaning 1.5 miles of pipe per day.

**SUSTAINABILITY IMPACT:**

ValveTek's No-Des technology provides a sustainable water distribution system flushing alternative to conventional methods which waste hundreds of thousands of gallons of water. Additionally, ValveTek's No-Des technology can improve the taste, odor and appearance of the City's drinking water.

**ATTACHMENT:** Low Zone Water Distribution System Flushing Area Map

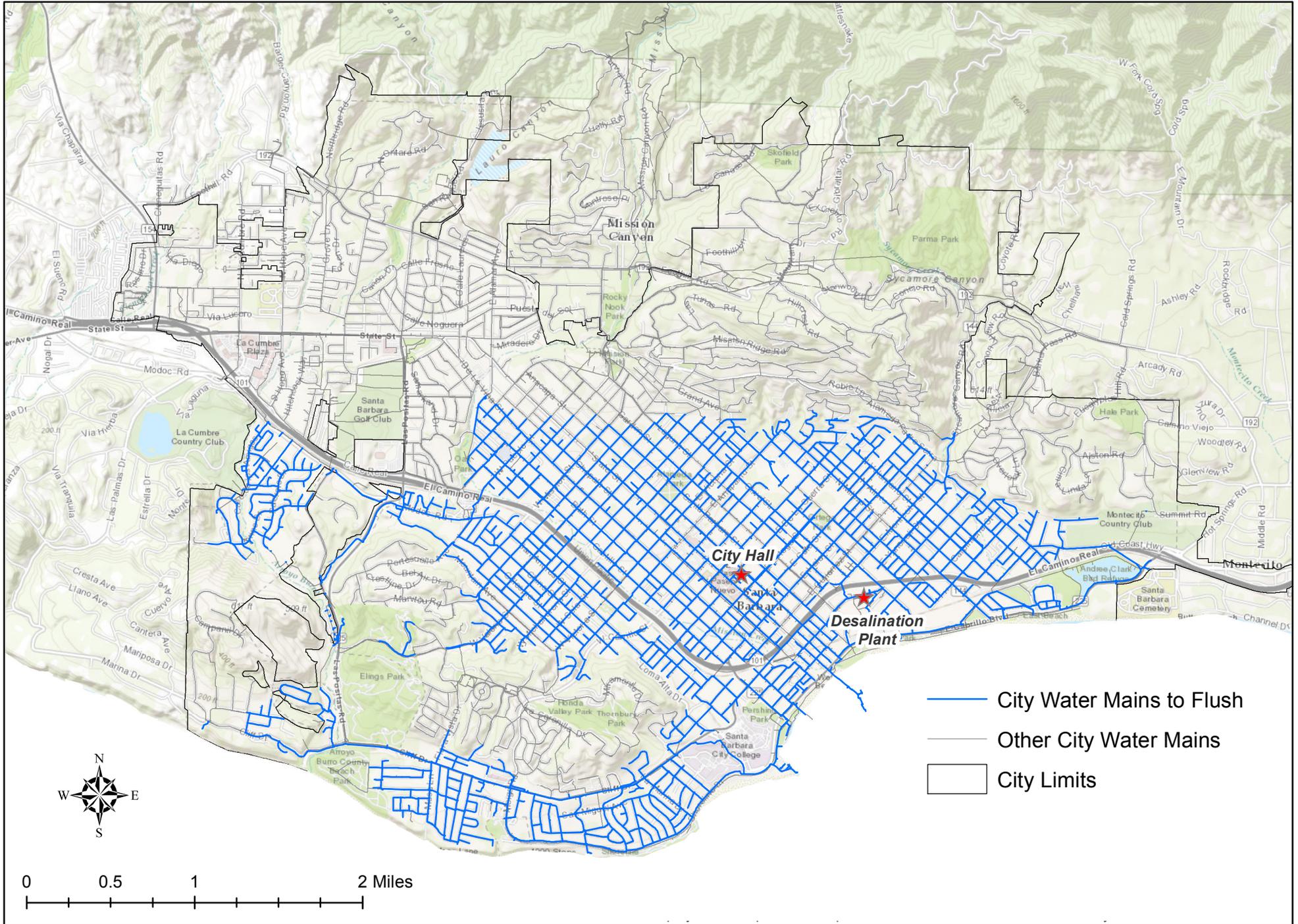
**PREPARED BY:** Catherine Taylor, Water System Manager/MW/mh

**SUBMITTED BY:** Rebecca J. Bjork, Public Works Director

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

# Low Zone Water Distribution System Flushing Area City of Santa Barbara

ATTACHMENT





# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 19, 2016

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Finance Department

**SUBJECT:** Property Tax Exchange Agreement For Santa Barbara Museum Of Natural History Reorganization

### RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara in the Matter of Providing for a Negotiated Exchange of Property Tax Revenues Pertaining to the Santa Barbara Museum of Natural History Reorganization, an Annexation of Properties Located at 2559 Puesta del Sol (APN's 23-250-39, 23-250-066 and 23-250-068) to the City of Santa Barbara and Detachment from the Santa Barbara County Fire Protection District, Mission Canyon Lighting District, County Service Area 12 and County Service Area 32.

### DISCUSSION:

On August 11, 2015, the City Council adopted a resolution requesting initiation of proceedings for a reorganization of boundaries and annexation to the City of properties located at 2559 Puesta del Sol. The subject annexation includes three assessor's parcels and a portion of the Las Encinas Road easement owned by the Santa Barbara Museum of Natural History (herein referred to as the Western Parcels). With the exception of one single family residence, the Western Parcels are largely undeveloped and include trails that are used by the public.

Prior to approval of the annexation by the Local Agency Formation Organization (LAFCO), the City and County must negotiate a tax exchange agreement and adopt resolutions for the allocation of property taxes assessed on the properties. The resolution that accompanies this report is needed to complete the annexations of the three parcels and reflects the agreement for the exchange of property taxes between the City and County.

The resolution approves a property tax exchange agreement for the affected parcels, which have a current assessed value of \$155,904 with assessed property taxes of \$1,559 (1%). The resolution provides that the City will receive a total of 10.84% of the total assessment, equating to \$169 per year, the portion previously allocated to the County Fire Protection District and Mission Canyon Lighting District. The allocation rates were based on the allocation of property taxes of an adjacent parcel.

Council Agenda Report  
Property Tax Exchange Agreement For Santa Barbara Museum Of Natural History  
Reorganization  
April 19, 2016  
Page 2

**PREPARED BY:** Robert Samario, Finance Director

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

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

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA IN THE MATTER OF PROVIDING FOR A NEGOTIATED EXCHANGE OF PROPERTY TAX REVENUES PERTAINING TO THE SANTA BARBARA MUSEUM OF NATURAL HISTORY REORGANIZATION, AN ANNEXATION OF PROPERTIES LOCATED AT 2559 PUESTA DEL SOL (APN'S 23-250-39, 23-250-066 AND 23-250-068) TO THE CITY OF SANTA BARBARA AND DETACHMENT FROM THE SANTA BARBARA COUNTY FIRE PROTECTION DISTRICT, MISSION CANYON LIGHTING DISTRICT, COUNTY SERVICE AREA 12 AND COUNTY SERVICE AREA 32

WHEREAS, Section 99 of the Revenue and Taxation Code of the State of California provides that no change of jurisdictional boundaries shall become effective until each city and county whose service areas or service responsibilities would be altered by such change agree by resolution to a negotiated exchange of property tax revenue; and

WHEREAS, the City of Santa Barbara (CITY) and the County of Santa Barbara (COUNTY) have negotiated and reached a mutually acceptable agreement for an exchange of property tax revenue for the proposed reorganization which is commonly referred to as the Santa Barbara Museum of Natural History Reorganization.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Santa Barbara approves and adopts the following formula for the exchange of property tax revenue from the subject property:

1. Definitions:

a. Reorganization" shall mean the recordation by LAFCO of a certificate of completion and the filing by LAFCO with the State Board of Equalization and the Santa Barbara County Assessor of a statement of boundary change pursuant to Government Code Section 54900 et seq., annexing the area to the City of Santa Barbara.

b. Property tax revenue" shall include the base property tax revenue.

2. The Auditor-Controller of Santa Barbara County shall allocate and pay directly to the CITY and the COUNTY General Fund those portions of the property tax revenue generated from the parcels making up the Santa Barbara Museum of Natural History Reorganization area as expressed in LAFCO Proposal 15-05, which otherwise would be allocated 9.53 percent to the Santa Barbara County Fire Protection District and 0.187 percent to the Mission Canyon Lighting District. The CITY's future share of the allocation shall be that equal to 10.837 percent of Property Tax Revenues generated by these parcels and the COUNTY General Fund's existing allocation percentage will be adjusted for the difference. The allocation percentages of taxing entities not included in this reorganization are not affected.

3. Payment to CITY and COUNTY General Fund will commence the first full fiscal year for which the change in property tax allocation specified by this resolution and the corresponding adjustments to affected tax rate allocation system becomes effective as specified by the State Board of Equalization in accordance with Government Code Section 54902. At the time of adoption of this resolution, that is anticipated to be Fiscal Year 2017-18.

4. Should LAFCO include any additional parcels to this proposal prior its recordation, the same allocated percentage as set forth in paragraph 2 above shall apply.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 19, 2016

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Finance Department

**SUBJECT:** Fiscal Year 2017 Recommended Operating And Capital Budget

**RECOMMENDATION:** That Council:

- A. Accept the Fiscal Year 2017 Recommended Operating and Capital Budget;
- B. Hear a report from staff in connection with the filing of the Fiscal Year 2017 Recommended Budget; and
- C. Approve the proposed Schedule of Council Budget Review Meetings and Public Hearings related to the Fiscal Year 2017 Recommended Budget.

**DISCUSSION:**

In accordance with the City Charter, the Fiscal Year 2017 Recommended Budget has been filed with the City Clerk's Office and is being submitted to Council today.

In June of 2015, the City Council adopted a Two-Year Plan that included the adopted Fiscal Year 2016 budget and the proposed plan for Fiscal Year 2017. The purpose of preparing a two-year plan is to minimize the workload impacts associated with developing and producing a budget each year. Accordingly, major changes to the second year of the two year plan are avoided if possible, with the goal being to produce a "status quo" budget in relation to the previous year – at least on the appropriations side of the ledger.

In that context, the Fiscal Year 2017 Recommended Budget does not include significant changes to programs, services, or staffing. However, the recommended budget does reflect lower revenue projections in key tax revenues, including sales taxes, transient occupancy taxes and utility users' taxes, in relation to the projections included in the two-year financial plan. As a result, the recommended budget no longer contains a budgeted surplus and contains a few balancing measures to offset a small deficit created by the reduced revenues.

The measures include minor reductions to the capital program and implementing a “hiring slowdown” whereby vacant positions will require approval from the City Administrator before moving forward with recruitment; and in some cases, slowing down the recruitment process in order to capture additional savings from the vacancy. These savings are reflected in the Anticipated Year-End Variance account which is established to recognize salary and benefit savings during the year that occur naturally with turnover in staff.

Over the next two months, staff has scheduled special budget work sessions during which the details of the Recommended Budget will be presented and discussed as part of the public hearing process. Over the course of the public hearings, each City department will present their respective recommended budget. In keeping with the theme of “status quo,” a focus of the presentations will be on changes to the budget in relation to the originally proposed plan, including proposed changes to performance measures and objectives.

The first of these special budget work sessions will be held on Wednesday, May 4<sup>th</sup>, from 3:00 p.m. to 6:00 p.m. in Council Chambers. The proposed schedule for the special budget work sessions, during which the public hearings on the budget will be held, is included as an attachment to this report for Council’s approval.

In addition to the public review by Council, staff recommends that the Finance Committee review certain elements of the Recommended Budget in more detail. The proposed Finance Committee Review Schedule will be presented to the Finance Committee for approval on April 26, 2016 at 12:30 p.m. in the David Gebhard Room, just prior to the City Council meeting.

A copy of the Recommended Plan will be available for public review on April 19 in the City Clerk’s Office and the Public Library’s main and eastside branches. It will also be available on the City’s website at [www.SantaBarbaraCA.gov](http://www.SantaBarbaraCA.gov).

**ATTACHMENT:** Schedule of Proposed Council Budget Review Meetings and Public Hearings

**PREPARED BY:** Robert Samario, Finance Director

**SUBMITTED BY:** Robert Samario, Finance Director

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

**CITY OF SANTA BARBARA  
Mid-Cycle Budget for Fiscal Year 2017**

**Schedule of Proposed Council Budget Review Meetings  
and Public Hearings**

<b>MEETING</b>	<b>DATE</b>	<b>BUDGET AGENDA ITEM(S)</b>
REGULAR CITY COUNCIL MEETING	Tues., April 19, 2016 Afternoon session Council Chambers	<ul style="list-style-type: none"> <li>➤ Filing of the Recommended Mid-Cycle Budget for Fiscal Year 2017</li> <li>➤ Schedule of Special Budget Work Sessions and Public Hearings Approved</li> <li>➤ Overview of Recommended Budget</li> <li>➤ General Fund Balancing Strategy</li> </ul>
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #1	Wed., May 4, 2016 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ Open Budget Public Hearing</li> <li>➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> <li>- Finance</li> <li>- General Government</li> <li>- Administrative Services</li> <li>- City Administrator's Office</li> <li>- Mayor &amp; Council</li> </ul> </li> </ul>
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #2	Mon., May 9, 2016 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> <li>- City Attorney's Office</li> <li>- Community Development/ Successor Agency</li> <li>- Library</li> </ul> </li> </ul>
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #3	Wed., May 11, 2016 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentations for:</u> <ul style="list-style-type: none"> <li>- Airport</li> <li>- Waterfront</li> <li>- Solid Waste Fund (Finance)</li> </ul> </li> </ul>
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #4	Mon., May 16, 2016 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentation for:</u> <ul style="list-style-type: none"> <li>- Parks &amp; Recreation (including Creeks and Golf Funds)</li> </ul> </li> </ul>
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #5	Mon., May 23, 2016 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentation for:</u> <ul style="list-style-type: none"> <li>- Public Works</li> </ul> </li> </ul>
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #6	Thurs., May 26, 2016 9:00 am – 12:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ <u>Department Budget Presentation for:</u> <ul style="list-style-type: none"> <li>- Fire</li> <li>- Police</li> </ul> </li> </ul>

SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #7	Wed., June 1, 2016 4:00 – 7:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ Finance Committee Budget Recommendations to Council</li> <li>➤ Council Budget Deliberations</li> <li>➤ Final Council Budget Direction to Staff</li> <li>➤ Planned Close of Budget Public Hearings (unless additional Work Sessions needed)</li> </ul>
SPECIAL BUDGET WORK SESSION AND PUBLIC HEARING #8	Mon., June 13, 2016 3:00 – 6:00 pm Council Chambers	<ul style="list-style-type: none"> <li>➤ Continue Council Budget Deliberations <b>(if needed)</b></li> </ul>
REGULAR CITY COUNCIL MEETING	Tues., June 14, 2016 Afternoon session Council Chambers	<ul style="list-style-type: none"> <li>➤ Prop. 218 Hearing on Proposed Increases to Water, Wastewater and Solid Waste Rates</li> </ul>
REGULAR CITY COUNCIL MEETING	Tues., June 21, 2016 Afternoon session Council Chambers	<ul style="list-style-type: none"> <li>➤ Budget Adoption</li> </ul>

Note: No Council meeting on May 31, 2016.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 19, 2016

**TO:** Mayor and Councilmembers

**FROM:** Planning Division, Community Development Department

**SUBJECT:** Waterfront Hotel Development Agreement And Amendment To Chapter 28.95 Of The Zoning Ordinance

**RECOMMENDATION:** That Council:

- A. Make the California Environmental Quality Act findings specified in the conclusion of this Council Agenda Report;
- B. Introduce, and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving a Development Agreement for the Waterfront Hotel by and Between the City of Santa Barbara and American Tradition, LLC; and
- B. Introduce, and subsequently adopt, by reading of Title only, An Ordinance of the Council of the City of Santa Barbara Amending Chapter 28.95 of Title 28 of the Santa Barbara Municipal Code by Adding a Provision Relating to the Development Agreement Between the City of Santa Barbara and American Tradition, LLC.

**EXECUTIVE SUMMARY:**

The Parker Family, representing American Tradition, LLC ("Applicant"), is requesting a new Development Agreement (DA) to extend the Waterfront Hotel project approvals for another ten years. The DA would extend the time frame for construction of the approved hotel project and would include provisions for pursuing a revised project should completion of the approved 150-room hotel not be pursued further. In the event that a revised hotel proposal results in fewer than 150 hotel rooms, the DA includes a provision allowing the Applicant to propose a transfer of those remaining unbuilt hotel rooms to another site. Associated with the DA is a proposed amendment to the Zoning Ordinance related to the Transfer of Existing Development Rights.

## **DISCUSSION:**

In 2007, the City issued building permits for both the 150-room Waterfront Hotel, located at the corner of Cabrillo Boulevard and Calle Cesar Chavez, and a hostel (required as a condition of approval for the hotel) located at 12 East Montecito Street.

Construction on the hostel has been completed; however, the hotel project has stalled. Over the past two years the Applicant has met with staff to discuss options for developing the Waterfront Hotel site with a smaller, boutique style hotel while still retaining the option of developing the approved 150 room hotel. The Applicant is researching the appropriate room count and design of a revised project and this research requires time. In order to maintain and extend the existing development rights to the approved hotel and establish development potential for a revised project, Staff and the Applicant have drafted a proposed Development Agreement (DA).

### Background

In 1981, the City and California Coastal Commission approved Park Plaza Specific Plan #1 and a Subdivision Map creating three parcels that make up the Specific Plan area. These parcels included the Fess Parker DoubleTree Hotel (633 E. Cabrillo Blvd.) and the Waterfront Hotel (433 E. Cabrillo Blvd.) properties, as well as the Chase Palm Park expansion area. The Specific Plan allowed the development of the DoubleTree Hotel, which was constructed in the late 1980's. The other two parcels were designated for retail, public parking and park development.

In 1994, the City and Coastal Commission approved an amendment to the Park Plaza Specific Plan to allow construction of a 150-room hotel on the Waterfront Hotel site and development of a park on the remaining parcel. The Specific Plan area was also expanded westward to include the City-owned property between Laguna Channel and Garden Street. An Environmental Impact Report (EIR) was prepared to analyze the environmental impacts of the Specific Plan Amendment and proposed development. In 1994, a Coastal Development Permit, Development Plan, and Parking Modification were approved by the City for the Chase Palm Park expansion, the Waterfront Hotel and a 100-bed hostel.

Per the conditions of approval, the park and hostel were to be completed prior to the opening of the hotel. In 1995, the Applicant requested a Development Agreement (DA) to extend the expiration date of the approvals because there was limited financing available for hotel development. On August 15, 1995, City Council adopted Ordinance 4920, which included a DA and associated conditions of approval for development of the Chase Palm Park expansion, the Waterfront Hotel, and a youth hostel. The DA required the Applicant to donate a portion of the park property and pay certain costs immediately in exchange for extending the approval dates for the hotel and hostel until September 21, 2007.

Since the approval of the original DA, the following actions have been completed by the Applicant:

- Both the land and fees to complete the Waterfront Park (Chase Palm Park expansion) were provided by the Applicant. The park expansion improvements were completed in 1998.
- Calle Cesar Chavez, formerly known as Salsipuedes Street, was completed, which now connects to Cabrillo Boulevard.
- In conjunction with the adjacent Wright project, Garden Street was extended to connect Highway 101 to Cabrillo Boulevard.
- Improvements to the area drainage on the hotel and park sites were completed and connected to a Santa Barbara County Flood Control drainage project in 1996-1997.
- One-time air quality offset and traffic mitigation fees were paid in 2007.
- On June 25, 2007, minor changes to the hotel, including moving the underground parking to a surface lot at 103 S. Calle Cesar Chavez, were determined to be in substantial conformance with the originally approved project plans. The number of hotel rooms remained the same. (Please note, this change was the last of several project changes reviewed by the Planning Commission since 1995.)
- On September 19, 2007, a building permit to construct the youth hostel at 12 E. Montecito Street was issued. The 100-bed hostel was completed in 2014 and is now operational. (Note: The Applicant no longer owns this site.)
- On September 20, 2007, a building permit for foundation and grading on the hotel site was issued. Work under this permit began, but is not complete and the permit is still valid.
- On September 20, 2007, building permits for soil remediation on the hotel site and the parking lot site were issued and work was completed on September 4, 2008. The hotel site remediation was fully completed and the parking lot site was partially remediated in the area where the paving would occur. A permit is pending for the parking lot site to complete soil remediation within the drain area.
- On May 8, 2008, a building permit for the hotel building shell and core was issued and this permit is still valid.
- On July 2, 2008, a building permit for construction of the parking lot at 103 S. Calle Cesar Chavez was issued and this permit is still valid.
- Since 1995, the Applicant has contributed \$62,500 annually towards the operation and maintenance of Chase Palm Park, and this annual payment will continue until the hotel is constructed. Upon completion of the hotel, the contribution will be \$125,000 annually (indexed for inflation) for an additional 35 years.

### Development Agreement (DA) Proposal

The new DA acknowledges the conditions of approval that the Applicant has completed since 1995, and incorporates the following major components:

- Establishes a new ten-year term for the DA.
- Acknowledges the approved status of the 150-room hotel project, and that the 150-room hotel currently permitted could continue to be constructed without further discretionary review.
- All current Building and Public Works permits for the 150-room hotel and parking lot would expire upon the effective date of the DA. If the Applicant wishes to pursue the approved hotel project, new permits (consistent with current building codes) must be obtained within five years; however, no additional discretionary review would be required.
- Establishes criteria for reviewing a request for a Substantial Conformance Determination (SCD) for any proposed changes to the approved hotel project, and requires that all SCD requests be reviewed as Level 4 (which requires a Planning Commission hearing).
- If the approved 150-room hotel is abandoned and a revised hotel project is pursued at any time during the term of the DA, the revised project would be subject to current design, permit, and environmental review regulations, current ordinances and Local Coastal Plan policies, current guidelines and building code requirements.
- If a revised hotel project is approved during the term of the DA and it results in less than 150 rooms, the Applicant has the ability to transfer the excess rooms on a room-for-room basis to another site, in accordance with the provisions of the new DA. This provision requires an amendment to the City's Transfer of Existing Development Rights (TEDR) Ordinance (SBMC Chapter 28.95) because currently, only existing hotel rooms that are either demolished or converted can be transferred to another site on a room-for-room basis; otherwise, transfers must occur on a square footage basis.

In April 2014, the City Council received an update from staff and the Applicant on the DA proposal and possible changes to the Waterfront Hotel project. Council was generally supportive of the DA, and expressed a strong desire to see the site developed soon.

The Planning Commission reviewed the proposed DA and TEDR Ordinance Amendment on January 7, 2016 (Attachment 1) and March 10, 2016 (Attachment 3).

On January 7, the Planning Commission, on a 4-3 vote, provided staff and the Applicant with changes to the Development Agreement (refer to Attachment 2 – Planning Commission Minutes dated January 7, 2016). Those changes were incorporated into

the document and the Planning Commission subsequently reviewed the proposal on March 10, 2016.

On March 10, 2016, the Planning Commission recommended, on a 4-1 vote, Council approval of the DA and TEDR Ordinance Amendment with the exception of Section 11.1 in the DA. Section 11.1 of the DA provided a framework for the City's review of a potential future transfer of excess hotel rooms from the Waterfront Hotel site to the Fess Parker DoubleTree Hotel site at 633 E. Cabrillo Blvd. As part of the Planning Commission's recommended approval, they also deleted certain terms (i.e., luxury, first-class, lower-cost) from the DA and amended certain language so that the DA is more accurate (refer to Attachment 4 – Planning Commission Minutes dated March 10, 2016). The proposed DA is shown in track changes as an Exhibit to Ordinance to reflect the revisions recommended by the Planning Commission.

The Applicant has formally requested that portions of prior Section 11.1 remain as part of the DA because they recognize the physical proximity of the DoubleTree site to the Waterfront Hotel and the mitigations (in the form of improvements, dedications and fees) that have already been implemented for the approved 150-room hotel (refer to Attachment 6 – Applicant Letter).

### Conclusion

Staff recommends approval of the DA, which would allow for completion of the Specific Plan as contemplated all these years, as well as a revised project that could involve a reduced footprint and building mass on the site. In order to approve a development agreement, the City Council must find it to be consistent with the General Plan and Specific Plan, among other findings.

Staff has prepared an Addendum to the Waterfront Park and Hotel and Youth Hostel Project EIR as the environmental document for this project (Attachment 5). Staff recommends that Council make the following California Environmental Quality Act (CEQA) findings:

1. The City Council has reviewed and considered the Addendum, dated January 14, 2016, to the Certified Final Project Environmental Impact Report (EIR) SCH#92091038 along with the Certified EIR and earlier EIR Addenda of June 1995, November 1996, and August 2007, which together constitute environmental analysis for the current project under California Environmental Quality Act (CEQA) provisions; and
2. The City Council finds that the EIR Addendum dated January 14, 2016 has been completed in compliance with CEQA and reflects the Council's independent judgment and analysis.

In order to approve a development agreement, Staff recommends that Council adopt an ordinance approving a DA for the Waterfront Hotel making the findings specified in Section 1.B of the ordinance.

In order to resolve any potential conflicts between the provisions of the Municipal Code and the provisions of the proposed DA, Staff recommends that Council adopt an amendment to the Transfer of Existing Development Rights (TEDR) Ordinance by adding a provision relating to the DA.

**ATTACHMENT(S):**

1. Planning Commission Staff Report dated December 21, 2015
2. Planning Commission Minutes dated January 7, 2016
3. Planning Commission Staff Report dated March 3, 2016
4. Planning Commission Minutes dated March 10, 2016
5. Addendum to the Waterfront Park and Hotel and Youth Hostel Project EIR, dated January 14, 2016
6. Applicant Letter dated March 31, 2016

The documents listed below have been provided electronically to the City Council and are available for public review in the Mayor and Council Office and City Clerk's Office.

7. Certified Final Environmental Impact Report (FEIR) for the Waterfront Park and Hotel and Youth Hostel Project dated June 18, 1993, including FEIR Addendum dated June 8, 1995
8. FEIR Addendum dated November 7, 1996
9. FEIR Addendum dated August 15, 2007
10. Specific Plan No. 1 Park Plaza

**PREPARED BY:** Allison De Busk, Project Planner

**SUBMITTED BY:** George Buell, Community Development Director

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



# City of Santa Barbara California

## PLANNING COMMISSION STAFF REPORT

**REPORT DATE:** December 21, 2015  
**AGENDA DATE:** January 7, 2016  
**PROJECT ADDRESS:** Waterfront Hotel, 433 E. Cabrillo Boulevard & 103 S. Calle Cesar Chavez (MST2013-00371)  
**TO:** Planning Commission  
**FROM:** Planning Division, (805) 564-5470, extension 4565  
 Beatriz Gularte, Senior Planner  
 Allison De Busk, Project Planner

### **I. PROJECT DESCRIPTION**

On August 15, 1995, City Council adopted Ordinance 4920, which included a Development Agreement (DA) and associated conditions of approval for development of the Chase Palm Park expansion, the Waterfront Hotel, and a youth hostel. The DA allowed the Chase Palm Park expansion project to commence immediately and provided the property owner, American Tradition, 12 years to construct the hotel and hostel. The hostel was completed in 2014; hotel construction began in 2007 and has not yet been completed. The building permit for the hotel is currently valid.

The Parker Family (representing American Tradition and hereinafter referred to as either “Parker Family” or “Applicant”) is requesting approval of a new DA to address construction of the hotel, including extending the time frame for construction of the hotel project.. Additionally, provisions are included to allow for a revised project should completion of the approved 150-room hotel not be pursued further. In the event that a revised hotel proposal results in fewer hotel rooms than originally approved, the DA includes a provision allowing the applicant to propose transfer of remaining hotel rooms to another site, in accordance with the provisions of the new DA. Associated with the DA is a proposed amendment to the Zoning Ordinance related to the Transfer of Existing Development Rights (see section VIII.C.1 for additional details).

The new DA would incorporate the following major components:

- Establishment of a new ten-year term for the DA
- Acknowledgment of the approved status of the 150-room hotel project, and that the 150-room hotel could continue to be constructed without further discretionary review.
- A provision that all current Building and Public Works permits for the hotel would expire upon the effective date of the DA and, if the Parker Family wishes to pursue the approved hotel project, new permits (consistent with current building codes) must be obtained within five years.
- A provision that if the approved 150-room hotel is abandoned and a revised hotel project is pursued at any time during the term of the DA, the project would be subject to current

design, permit, and environmental review regulations, current ordinances and Local Coastal Plan policies, current guidelines (including those that describe the Substantial Conformance Determination process) and building code requirements.

- If a revised hotel project is approved during the term of the DA and it results in less than 150 rooms, the applicant has the ability to transfer the excess rooms to the Fess Parker Hotel site or to another site, in accordance with the provisions of the new DA.

## **II. REQUESTED APPLICATIONS**

The discretionary applications required for this project are:

- A. A Development Agreement to allow an additional ten (10) years to construct a 150 room hotel and parking lot and the option to either revise the project or propose a different design within this time period (Resolution 89-120);
- B. A Zoning Ordinance Amendment to Santa Barbara Municipal Code Chapter 28.95 - Transfer of Existing Development Rights to defer to the Development Agreement for provisions to provide the option for the Waterfront Hotel project to propose transfer of development rights associated with excess (approved but undeveloped) hotel rooms to another site, subject to City permitting requirements.

## **III. RECOMMENDATION**

Staff recommends that the Planning Commission recommend that City Council make the required planning and CEQA findings and recommend approval of the Development Agreement as proposed, and approval of an amendment to Zoning Ordinance, Chapter 29.95 related to the Transfer of Existing Development Rights.

### VICINITY MAP



#### IV. PROJECT BACKGROUND

In 1981, the City and the California Coastal Commission approved Park Plaza Specific Plan #1 (Specific Plan) and a Tentative Subdivision Map creating three parcels that make up the Specific Plan area. These parcels included the Fess Parker DoubleTree Hotel site and the Waterfront Hotel site, as well as the Chase Palm Park expansion area. The Specific Plan allowed the development of the DoubleTree Hotel, which was constructed in the 1980s. The other two parcels were designated for retail, public parking, and park development.

In 1994, the City and Coastal Commission approved an amendment to the Specific Plan to allow construction of a 150-room luxury hotel on the Waterfront Hotel site (433 E. Cabrillo Blvd.) instead of retail use, and development of a public park on the remaining parcels. The Specific Plan area was also expanded westward to include the City property between the Laguna Channel and Santa Barbara Street. In 1994, a Coastal Development Permit, Development Plan, and Parking Modification were approved by the City for the Chase Palm Park expansion, the Waterfront Hotel, and a 75-bed youth hostel (increased to a 100-bed hostel, per a later Coastal Commission condition).

Per the conditions of approval, the park and youth hostel were to be completed prior to the opening of the hotel. In 1995, the applicant requested a Development Agreement (DA) to extend the expiration date of project approvals because there was limited financing available for hotel development at the time. On August 2, 1996, the City and the Applicant entered into a DA involving construction of the Chase Palm Park expansion, the Waterfront Hotel, and a youth hostel. The DA allowed the Chase Palm Park expansion project to commence immediately and provided the Parker Family 12 years to construct the hotel and hostel.

Since approval of the DA, the following actions have been completed or initiated by the applicant:

- Extension and improvements to Calle Cesar Chavez, formerly known as Salsipuedes Street, were completed in 1997, which connected the road to Cabrillo Boulevard.
- In conjunction with the adjacent Wright property (Cabrillo Plaza Specific Plan) project, Garden Street was extended to connect Highway 101 to Cabrillo Boulevard.
- Improvements to the area drainage on the hotel and park sites were completed and connected to a Santa Barbara County Flood Control drainage project in 1996 – 1997.
- Both land and fees to complete the Waterfront Park (Chase Palm Park expansion) were provided by the applicant and the Park expansion improvements were completed in 1998.
- On June 25, 2007, changes to the hotel project description, including moving the underground parking to a surface lot at the 103 S. Calle Cesar Chavez site, were determined to be in substantial conformance with the original project approval. The number of hotel rooms remained the same.
- On September 19, 2007, a building permit to construct the youth hostel at 12 E. Montecito Street was issued and construction commenced. In 2011, the applicant revised the floor plan to create more individual rooms instead of the dormitory style rooms that were more common at the time of project approval. The hostel was completed in August 2014 and is now operational. The Parker Family no longer owns this site.
- On September 20, 2007, building permits were issued for soil remediation on the hotel site and parking lot site, and work was completed on September 4, 2008. The hotel site remediation was fully completed and the parking lot site was partially remediated in the area where the paving would occur. A permit is pending for the parking lot site to complete soil remediation within the drain area.
- On September 20, 2007, a building permit was issued for foundation and grading work on the proposed hotel site. Work under this permit began, but is not complete and the permit is still valid.
- On May 8, 2008, a building permit was issued for construction of the hotel building shell and core, and is still valid.
- On July 2, 2008, a building permit was issued for construction of the parking lot at 103 S. Calle Cesar Chavez, and this permit is still valid.
- One time air quality offset and traffic mitigation fees were submitted in 2007.

- Since 1998, the applicant has contributed \$62,500 annually towards the operation and maintenance of the park and will continue to do so until the hotel is constructed. Upon completion of the hotel, the contribution would be \$125,000 annually (indexed annually for inflation) for an additional 35 years.

Over the past two years, the Applicant has met with staff to discuss options for developing the Waterfront Hotel site with a smaller, boutique style hotel while still retaining the option of developing the approved 150-room hotel. In order to extend the existing development rights for the approved hotel project and establish provisions for proposing a revised project, a new DA is proposed. Many conditions of approval for the 1996 Development Agreement and related land use approvals have already been satisfied. Any remaining conditions of approval applicable to completion of the approved hotel project would remain in effect.

On April 29, 2014, staff and the applicant provided the City Council an update on the progress of the hotel construction and the proposed DA. Council was generally supportive of the DA, and expressed a strong desire to see the site developed soon.

## V. PROJECT DEVELOPMENT COMPONENTS

### *Waterfront Hotel Site*

The Waterfront Hotel site at 433 E. Cabrillo Boulevard is currently vacant. The Union Pacific railroad tracks border the northern lot line, Calle Cesar Chavez borders the eastern property line, and Chase Palm Park borders the western and southern lot lines. The approved development includes a 150-room hotel, 45 feet in height, and three stories. An emergency access road for the hotel and Park would be provided along the northern lot line, from Calle Cesar Chavez to Chase Palm Park. Parking would be provided as follows: 10-12 parking spaces would be provided onsite, 106 valet parking spaces would be provided at 103 S. Calle Cesar Chavez (see below), and 100 spaces would be provided through a valet service in the existing parking lot at the Fess Parker DoubleTree Hotel site (633 E. Cabrillo Blvd.) through a parking agreement established when the Waterfront Hotel was initially approved in the early 1990's.

### *Parking Lot Site*

The Parking Lot site at 103 S. Calle Cesar Chavez is currently vacant and is located on the north side of the railroad tracks. This lot is not part of the Park Plaza Specific Plan and, initially, was not part of the overall approved project. On August 30, 2007, the Planning Commission approved a Conditional Use Permit and Coastal Development Permit for a 106-space surface parking lot and a 100 square-foot kiosk on the site. The parking lot would provide a portion of the parking for the Waterfront Hotel. Access to the Parking Lot site would be directly from Calle Cesar Chavez and a left turn lane pocket would be added from the northbound lane.

A detention basin located along the northern lot line, on the western edge of the proposed parking lot, would be designed to handle a 25-year storm event and would capture runoff from the parking lot. Preliminary grading and a soil remediation program were completed in 2008 in the area of the proposed parking lot only. The remediation consisted of "hot spot" removal at six locations.

The parking lot project included a requirement for restoration of the portion of the El Estero Drain located on the site. This would include removal of non-native vegetation both in the drain and within approximately five to twenty feet from the top of bank. However, once soil

remediation began within the area of the parking lot, soil tests determined the extent of contamination exceeded the original scope and continued into the drain area to the west. As a result of this discovery, the applicant requested and received a Substantial Conformance Determination (SCD) to the 2007 Coastal Development Permit to allow completion of the remediation and restoration of the drain under a separate permit. This would allow the parking lot construction to proceed without delay. A separate Coastal Development Permit was submitted in 2008 and is currently incomplete pending approval of a final soil remediation action plan by Santa Barbara County Environmental Health Hazardous Materials Unit Site Mitigation Unit.

**VI. SITE INFORMATION AND PROJECT STATISTICS**

**A. SITE INFORMATION**

<b>Applicant:</b>	Rick Fogg		
<b>Property Owner:</b>	American Tradition		
<b>SITE INFORMATION – HOTEL SITE (433 E. CABRILLO BLVD.)</b>			
<b>Parcel Number:</b>	017-680-009	<b>Lot Area:</b>	3.0 acres
<b>General Plan:</b>	Ocean Related Commercial/ Medium-High Residential (15-27 du/acre)	<b>Zoning:</b>	Hotel & Related Commercial/ Park Plaza Specific Plan/ Coastal Overlay (HRC-2/SP-1/S-D-3)
<b>Local Coastal Plan:</b> Hotel-Related Commerce			
<b>Existing Use:</b>	Vacant	<b>Topography:</b>	0 – 2%
<b>Adjacent Land Uses</b>			
<b>North</b> - Railroad Tracks & Parking Lot Parcel <b>South</b> - City Park		<b>East</b> - Hotel (DoubleTree) <b>West</b> - City Park	
<b>SITE INFORMATION – PARKING LOT PARCEL (103 S. CALLE CESAR CHAVEZ)</b>			
<b>Parcel Number:</b>	017-113-020	<b>Lot Area:</b>	2.3 acres
<b>General Plan:</b>	Industrial	<b>Zoning:</b>	Ocean-Oriented Light Manufacturing/Coastal Overlay (OM-1/SD-3)
<b>Local Coastal Plan:</b> Ocean-Oriented Industrial			
<b>Existing Use:</b>	Vacant	<b>Topography:</b>	0 – 2%
<b>Adjacent Land Uses</b>			
<b>North</b> - Warehouse & Retail <b>South</b> - Railroad Tracks & City Park & Hotel Parcel		<b>East</b> - Industrial open yard <b>West</b> - City treatment plant	

**VII. DEVELOPMENT AGREEMENT PROCESS**

In 1989, City Council adopted Resolution 89-120, which establishes City procedures for considering development agreements. The procedures require that each application for a development agreement be reviewed by the Planning Commission at a noticed hearing. The

Planning Commission makes a recommendation to City Council, who then approves or denies the request.

Pursuant to the development agreement procedures, the applicant submitted a request for a revised development agreement for the hotel project. Community Development staff and the City Attorney's Office have reviewed the application, the draft development agreement, and the draft ordinance and found the documents to be legal and in conformance with City provisions.

In order to approve a development agreement, it must be found consistent with the General Plan and Specific Plan, among other findings. If the Planning Commission recommends disapproval of a Development Agreement, that action shall be final, unless appealed by the applicant to the City Council.

## **VIII. GENERAL PLAN, LOCAL COASTAL PLAN, SPECIFIC PLAN AND ZONING CONSISTENCY**

### **A. GENERAL PLAN CONSISTENCY**

The proposed Development Agreement for a ten year extension of discretionary permit approvals for a hotel and off-site parking lot can be found consistent with the General Plan. The agreement allows development of the site with a project that is compatible with the vision of the Waterfront area described in the General Plan. The following is a discussion of the project's compatibility with the relevant General Plan elements:

#### **1. Land Use and Open Space, Parks and Recreation Elements**

The hotel and parking lot parcels are within the East Beach neighborhood, with diverse land uses ranging from industrial to visitor-related uses (hotels, restaurants, retail, etc.), to parks and City facilities. The hotel parcel is located along the Cabrillo Boulevard corridor, immediately adjacent to Chase Palm Park, and the project would be compatible with existing visitor-serving and recreational uses of the area. The proposed hotel use could be found consistent with General Plan land use designation of Ocean Related Commercial/Medium High Residential.

The proposed hotel would provide lodging for recreational visitors to the area. As part of build-out of the Specific Plan and a condition of the prior project approval, the Applicant dedicated five acres for expansion of the adjacent Chase Palm Park. Since June 1, 1998, the Applicant has paid an annual assessment to help maintain the adjacent park. The Development Agreement would continue that provision, including an increase in the assessment after the hotel is constructed, which would continue for 35 years after the final certificate of occupancy is issued for the hotel. The approved project design was reviewed by the Historic Landmarks Commission (HLC) to ensure its compatibility with the adjacent park and applicable design guidelines, including El Pueblo Viejo Design Guidelines and the Waterfront Area Aesthetic Criteria. Any project revisions would require additional review by the HLC to ensure continued compatibility.

The project can be found consistent with open space, parks and recreation policies of the General Plan because the larger project included the expansion of Chase Palm Park, and the applicant contributes annually to its maintenance.

**2. Environmental Resources Element:**

City Environmental Resources Element policies provide that important environmental resources of the City be preserved and protected, including archaeological, visual, biological, and open space resources; specimen and street trees; air and water quality; and minimizing potential drainage, erosion and flooding hazards. Potential environmental impacts resulting from the project related to these environmental issues were previously reviewed in the 1993 Certified Project EIR. Updated assessments in the current Addendum to the EIR, dated December 14, 2015 (Exhibit D), demonstrate that, with application of identified mitigation incorporated as conditions of project approval, no significant impacts pertaining to environmental resources or hazards would result from the project.

**3. Historic Element**

The hotel parcel is located within El Pueblo Viejo (EPV) Design District. Development proposals are subject to review by the Historic Landmarks Commission (HLC) to ensure compatibility with surrounding land uses and district historic design criteria. Environmental analysis indicates the project will not result in adverse effects to the historic Cabrillo corridor. The project previously received HLC design approval. Any future project contemplated by the Development Agreement would also require HLC design approval. Thus, the project can be found consistent with General Plan Historic Resources Elements.

**4. Circulation and Scenic Highways Elements**

The Circulation Element of the General Plan contains goals, policies, and programs for the City's street system and parking, sidewalks, bikeways and transit. Land use and planning strategies are also established that support the City's mobility goals.

Traffic and circulation impacts resulting from the proposed project were previously reviewed in the 1993 Certified Project EIR. Circulation mitigation measures and conditions of the original Development Agreement were implemented, including extending Calle Cesar Chavez and Garden Streets from Downtown to Cabrillo Boulevard and constructing sidewalks and other roadway improvements. An updated assessment in the current Addendum to the EIR dated December 14, 2015 (attached) demonstrates no significant traffic impacts would result from the project.

There are no designated scenic highways in the project vicinity.

The project could be found consistent with General Plan Circulation and Scenic Highways Elements.

**5. Safety Element**

The City's Safety Element requires that development be sited, designed, and maintained to protect life and property from hazards, including geologic and seismic conditions, flooding and wildfire, hazardous materials, and public safety risks.

The project site is subject to the geologic constraints associated with a low-lying area of the Waterfront on land that was formerly an estuary. As discussed in the 1993 Certified

Project EIR and Addendum prepared for the current DA project, potential impacts associated with hazards would be adequately addressed with design adhering to California and City Building Codes, Fire Codes, the Floodplain Ordinance, hazardous materials regulations, and implementation of recommendations for grading and development outlined in the geotechnical report provided for the project. The building and site design would also address potential safety issues pertaining to the hotel site's proximity to the railroad through building design and operational measures.

## **B. LOCAL COASTAL PLAN CONSISTENCY**

The Development Agreement (DA) can be found consistent with the goals and policies of the Local Coastal Plan (LCP). The DA would preserve approvals for a development that is consistent with current and future uses of the Waterfront area. As part of earlier phases of the Specific Plan development, the applicant has already implemented a number of measures that enhance coastal access, provide coastal area open space, and provide for drainage improvements. The following is a discussion of the project's compatibility with the applicable LCP policies.

### **1. Locating New Development**

The project site is located within Component 5 of the LCP, which includes a general description of future land uses similar to the proposed hotel and parking lot development. The Eastside Drain, a drainage course for the City's east side, runs through the westerly portion of Component 5, and the proposed development design would be coordinated with this feature. Geologic hazards in this section of the City's coastal zone include liquefaction, tsunamis, and flooding, in addition to earthquake ground shaking hazards present throughout the City, and would be addressed by applicable regulations, project design components and conditions of approval.

### **2. Shoreline Access; Recreation; & Visitor-Serving Commercial Uses**

Lateral and vertical access in the Coastal Zone is an important issue in the LCP. Policies also encourage providing recreational amenities and commercial development to serve visitors, which may increase parking demand. As part of earlier phases of the Specific Plan development, the Applicant has already contributed to circulation improvements and recreational amenities, and with this remaining portion of the project would provide development that supports visitors. The hotel would have adequate parking, as determined by previous project approvals. The hotel and parking lot parcel development would not impede existing or future coastal access points.

### **3. Water and Marine Environments; Hazards; Visual Quality; Cultural Resources; & Public Services**

The project includes a wetland restoration component and would have no substantial effects on water or marine environments. The project incorporates measures to address geophysical hazards and public safety. The hotel parcel is located within El Pueblo Viejo (EPV) Design District 1 and is subject to review by the Historic Landmarks Commission (HLC) to ensure compatibility with the surrounding land uses and historic design and visual criteria. Archeological reports were prepared for the project sites and no important

subsurface resources are anticipated to exist, and this was confirmed by monitoring during initial project earthwork. Adequate public services would be available to serve the project site.

## **C. SPECIFIC PLAN AND ZONING ORDINANCE CONSISTENCY**

### **1. HOTEL SITE**

The 150 room hotel described in the proposed Development Agreement (DA) is consistent with the site's Specific Plan and with the City's Zoning Ordinance. The hotel site is zoned Hotel and Related Commerce/ Park Plaza Specific Plan/ Coastal Overlay (HRC-2/SP-1/S-D-3). Development of a hotel on this site is consistent with the uses allowed in the Specific Plan and HRC-2 zone. The proposed development of the parcel complies with required setbacks and with the 45-foot height and three-story limit. Parking would be provided primarily off-site and was found to satisfy the parking demand of the project. Any subsequent revisions to the approved development that cannot be found in Substantial Conformance would require both amended or new permits and applicable design review.

The proposed DA would include a provision to allow the transfer of any approved but not constructed hotel rooms from the project site to another site subject to compliance with City regulations, including the Traffic Management Strategy, and City approval. Currently, under Chapter 28.95 (Transfer of Existing Development Rights) of the Zoning Ordinance, a hotel project that has been approved, but has not been constructed, may transfer all or a portion of the approved square footage to another site, but cannot transfer the approved hotel rooms. Only a site that is *developed* with a hotel under valid permits can transfer hotel rooms to another site. Therefore, an amendment to SBMC Chapter 28.95 is proposed to defer to the Waterfront Hotel DA in the event of a conflict between the DA and Chapter 28.95. The effect of this amendment would be to allow the project to propose the transfer of approved but not constructed hotel rooms to another site, whereas the ordinance currently allows only the transfer of approved square footage. This provision would only apply to the project site, and not citywide. In the event that a transfer is proposed, the receiving site is required to undergo permit and environmental review at the time the transfer is proposed.

### **2. PARKING LOT SITE**

The 111 space parking lot and a 100 square foot kiosk with a key box described in the Development Agreement would provide part of the required parking for the Waterfront Hotel project. The site is zoned Ocean-Oriented Light Manufacturing/Coastal Overlay (OM-1/SD-3), which focuses on uses that support ocean-dependent uses, including marine storage, boat sales and repair, sail manufacturing and repair, seafood processing and similar uses, as well as the El Estero Wastewater Treatment Plant. A public parking lot is an allowed use in this zone; however, a private parking lot is only allowed through a Conditional Use Permit (CUP). The Planning Commission approved a CUP for the private parking lot on this site in 2007.

In establishing the OM-1 zone, it was recognized that there might be limited demand for ocean-dependent uses or that land values might preclude these uses. Thus, a provision

was included that allows property owners to consider other uses allowed in the M-1 (Light Manufacturing) Zone, subject to the issuance of a CUP. In addition to the required CUP findings to approve the use, the Planning Commission made additional findings, as follows:

- a. The use is compatible with ocean-dependent or ocean-related uses; and
- b. The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses. This finding shall be substantiated by competent evidence determined by the Planning Commission to be objective which includes no present or future demand for ocean-dependent or ocean-related uses.

The Planning Commission supported these findings for the parking lot because it would provide part of the required parking for the approved Waterfront Hotel, which provides lodging for guests of the Waterfront area. Additionally, the two-acre lot is constrained due to its mostly narrow configuration and the El Estero Drain on the south. If the site was limited to ocean-related or -dependent uses, the actual development area would be significantly constrained due to the setback from the wetland on the south, the need for required parking for the proposed development, and the pie-shaped lot. Because of the unusual shape of the lot, the parking lot will only function for 111 spaces with use of tandem parking served by valet parking. If this site were a public parking lot, approximately 40 spaces would fit on the site without tandem parking. Finally, there are costs associated with required soil remediation and biological restoration required on the site. This work would be required for any use of the land, and would make it difficult to offset the costs with a typical low revenue generating use, such as the ocean-related and -dependent uses allowed in the OM-1 zone.

## **IX. ENVIRONMENTAL REVIEW**

An environmental analysis of the Waterfront Hotel project was completed in a certified final Environmental Impact Report (EIR) dated June 18, 1993 as part of a multiple project proposal (including the Chase Palm Park Expansion and Youth Hostel projects, both since constructed). Three subsequent EIR Addenda dated June 8, 1995, November 7, 1996, and August 13, 2007 were also prepared for subsequent project refinements and permitting activity (including the original 1996 Development Agreement, and change from underground parking to parking on a separate lot). In addition to the project specific environmental review, a citywide Program EIR certified in December 2012 for City adoption of the 2011 General Plan Update contains updated cumulative analysis of environmental effects associated with incremental development throughout the City.

The current project proposal requires discretionary permit approval subject to environmental review under California Environmental Quality Act (CEQA) provisions. The project request is for a revised Development Agreement to extend the expiration date of previous project approvals, with no additional development proposed, and the immediate setting largely unchanged since the project EIR was certified.

The current project proposal was evaluated against the prior certified EIR, and an addendum to the project EIR was prepared (Exhibit D). The EIR addendum addresses minor changes to environmental circumstances, State and City CEQA guidelines and impact analysis. The

addendum concluded that the development of the hotel and associated parking lot would result in impacts that are either the same or less than identified in the 1993 EIR.

Identified environmental impacts of the project are summarized as follows:

- *Class 1 Significant Impacts.*

Temporary construction-related noise would be partially mitigated with standard equipment and construction hour limits, but a potential pile driving component is identified to have a significant short-term noise impact.

Substantial circulation improvements have already been implemented to mitigate project-specific traffic/circulation impacts. Project traffic generation would, however, contribute to significant cumulative traffic impacts. City Council's adoption of the 2011 General Plan Update and associated Program EIR included findings of overriding consideration deeming cumulative traffic impacts acceptable.

- *Class 2 Potentially Significant Impacts Mitigated to Insignificant Levels.*

The public safety/risk of upset issue associated with the proximity of the sites to the railroad tracks and potential for a railroad accident in close proximity to the project would be mitigated through design of hotel features (building structure, fire lane wall, and fire sprinkler system) and requirements for a hotel emergency response plan.

Long-term noise effects from the railroad tracks and traffic along Cabrillo Boulevard would be mitigated with hotel room design, barrier wall, and noise effects from rooftop equipment to adjacent park users and hotel guests would be addressed through design, selection and placement of equipment.

- *Class 3 Less Than Significant Impacts.*

Visual impacts (scenic vistas, visual character, lighting); air quality impacts (long-term, short-term construction, odor, and greenhouse gas generation); biological resources impacts (species); cultural resources impacts (archaeological, historical, tribal resources); geophysical impacts (seismic, geologic, soil erosion); hazard impacts (hazardous materials, contaminated soils, emergency response, fire hazard); long-term noise impacts (periodic railroad and park event noise); housing/growth-inducing impact; public services and utilities impacts (water, wastewater, stormwater, solid waste, police, fire protection, schools, electricity, natural gas, communications utilities); recreation demand impact; transportation impacts (construction traffic, long-term project traffic, circulation and safety, bicycle, pedestrian, transit); water quality and hydrology impacts (groundwater, drainage, flooding, creeks, tsunami, sea level rise) have all been determined to be less than significant.

- *Class 4 Beneficial Impacts.*

Components of the project involving biological resources (El Estero drainage habitat restoration); and recreational facilities (Chase Palm Park expansion and landscaping) are determined to constitute environmentally beneficial impacts of the project.

**X. DESIGN REVIEW**

The hotel site is within the El Pueblo Viejo Design District and the parking lot site is outside and adjacent to this District. The hotel and parking lot projects were reviewed by the Historic Landmarks Commission and Architectural Board of Review, respectively, prior to issuance of the 2007 building permits. Therefore, the approved projects may proceed as previously designed and approved. An area of City-owned land between the hotel project site and Chase Palm Park is referred to as the “transition area” and the applicant will be responsible for landscaping this area at the time the hotel is constructed. Final design review is still pending for the transition area. In the event any physical changes are proposed to the approved development, the project would return to the appropriate design review body for further review.

**XI. FINDINGS**

As part of the recommendation to City Council for approval of the Development Agreement and Zoning Ordinance Amendment, the Planning Commission finds the following:

**A. ENVIRONMENTAL REVIEW (CEQA GUIDELINES §15090, §15162 & §15164)**

1. The Planning Commission has reviewed and considered the Addendum, dated December 14, 2015, to the Certified Final Project Environmental Impact Report (EIR) SCH#92091038 along with the Certified EIR and earlier EIR Addenda of June 1995, November 1996, and August 2007, which together constitute environmental analysis for the current project under California Environmental Quality Act (CEQA) provisions; and
2. The Planning Commission finds that the EIR Addendum dated December 14, 2015 has been completed in compliance with CEQA and reflects the Commission’s independent judgment and analysis.

**B. DEVELOPMENT AGREEMENT (COUNCIL RESOLUTION 89-120)**

1. The Development Agreement is consistent with the General Plan and Specific Plan, as well as the Local Coastal Plan and Zoning Ordinance, as described in Section IX of the Staff Report;
2. The Development Agreement is in substantial conformance with public necessity, convenience, and general welfare and good zoning practices because it will provide additional time for the applicant to develop a hotel in this location, which City plans and policies identify as a desired land use for the site, or will allow the opportunity for a revised hotel to be considered by the City, taking into consideration the significant public improvements that have been made in furtherance of the goals of the Specific Plan and the prior Development Agreement, including the approved project permit conditions of approval, and;
3. The Development Agreement provides assurances to the developer of the right to develop a project in accordance with the terms of the agreement and that adequate consideration is provided by the City in that early completion of the public improvements, including the park and circulation improvements, and delay of private improvements will provide for more orderly and timely mitigation of traffic and air quality impacts.

Exhibits:

- A. Proposed Development Agreement
- B. Proposed Amendment to SBMC Ch. 28.95
- C. Applicant's letter, dated December 17, 2015
- D. EIR Addendum dated December 14, 2015

The following Exhibits are available electronically (upon request):

- E. Certified Final EIR
- F. EIR Addendum dated June 1995
- G. EIR Addendum dated November 1996
- H. EIR Addendum dated August 2007
- I. Resolution No. 94-030 (Amended Specific Plan)
- J. Ordinance No. 4920 (1995 Development Agreement)

**III. NEW ITEM:**

**ACTUAL TIME: 1:06 P.M.**

**APPLICATION OF THE PARKER FAMILY FOR 433 EAST CABRILLO BOULEVARD (WATERFRONT HOTEL), APN 017-680-009, ZONING DESIGNATION: HOTEL AND RELATED COMMERCE/ PARK PLAZA SPECIFIC PLAN/ COASTAL ZONE OVERLAY (HRC-2/SP-1/SD-3), GENERAL PLAN DESIGNATION: OCEAN-RELATED COMMERCIAL/ MEDIUM HIGH RESIDENTIAL, LOCAL COASTAL PLAN DESIGNATION: HOTEL AND RELATED COMMERCE; AND 103 SOUTH CALLE CESAR CHAVEZ (HOTEL PARKING LOT), APN 017-113-020, ZONING DESIGNATION: OCEAN-ORIENTED LIGHT MANUFACTURING/ COASTAL ZONE OVERLAY (OM-1/SD-3), GENERAL PLAN DESIGNATION: OCEAN-RELATED INDUSTRIAL, LOCAL COASTAL PLAN DESIGNATION: OCEAN ORIENTED INDUSTRIAL (MST2013-00371)**

On August 15, 1995, City Council adopted Ordinance 4920, which included a Development Agreement (DA) and associated conditions of approval for development of the Chase Palm Park expansion, the Waterfront Hotel (433 East Cabrillo Boulevard), and a youth hostel. The DA allowed the Chase Palm Park expansion project to commence immediately and provided the property owner, American Tradition, 12 years to construct the hotel and hostel. In 2007, the City issued building permits for both the 150-room Waterfront Hotel and associated parking lot, and the youth hostel. While the hostel (12 E. Montecito St.) has since been completed, the hotel project has stalled. In order to maintain the existing development rights for the approved hotel and establish the potential and associated process for a revised project, a new DA is being considered. As such, the proposed DA includes the following major components:

- Establishment of a new ten-year term for the DA.
- Acknowledgment of the approved status of the 150-room hotel project, including parking lot, which could continue to be constructed without further discretionary review.
- A provision that all current Building and Public Works permits for the hotel project would expire upon the effective date of the DA, and new ministerial permits (consistent with current codes) for the approved project must be issued within five years of the effective date of the DA.
- A provision that if the approved 150-room hotel project is abandoned and a revised hotel project is pursued at any time during the term of the DA, the project would be subject to policies, ordinances, resolutions, codes, rules, regulations and official policies governing development of the site(s) in effect as of the effective date of the DA.

- If a revised hotel project is approved during the term of the DA and it results in less than the currently approved 150 hotel rooms, the Applicant has the ability to propose the transfer of excess rooms or square footage to the Fess Parker DoubleTree Hotel site (633 E. Cabrillo Blvd.) or another parcel, consistent with applicable City ordinance provisions and processes for doing so.

**Note: A Development Agreement and Ordinance Amendment require City Council approval at a subsequent public hearing to be scheduled. The purpose of this January 7<sup>th</sup> hearing was for the Planning Commission to consider the proposed request and environmental document prepared for the project and provide a recommendation to City Council on the following:**

1. A Development Agreement to allow an additional ten (10) years to construct the approved 150-room hotel and parking lot or a revised project within this time period (Council Resolution 89-120); and
2. A Zoning Ordinance Amendment (SBMC Chapter 28.95 - Transfer of Existing Development Rights) to defer to the Waterfront Hotel Development Agreement for provisions allowing the applicant to propose the transfer of excess (approved but undeveloped) hotel rooms from the Waterfront Hotel site.

An Addendum to the 1993 Final Environmental Impact Report (EIR) has been prepared in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15164 to address minor changes to the project and EIR analysis. The Planning Commission will consider the Addendum together with the previously certified Final EIR, and consider a recommendation to City Council regarding the adequacy of the environmental review pursuant to CEQA Guidelines Section 15090.

Contact: Allison DeBusk, Project Planner

Email: ADeBusk@SantaBarbaraCA.gov

Phone: (805) 564-5470, ext. 4552

Allison DeBusk, Project Planner, gave the Staff presentation.

Eli Parker, Parker Family representative, made introductory comments and introduced his team of Mike Caccese, MAC Design Associates; Graham Lyons, Attorney, Mullen & Henzell; and Suzanne Elledge, Suzanne Elledge Planning and Permitting Services, Inc. who were all available to answer any of the Commission's questions.

Chair Campanella opened the public hearing at 1:18 P.M.

The following people spoke in opposition to the project or with concerns:

1. Tom Rejzek, Santa Barbara County Environmental Health, provided a presentation on mitigation of hazardous material issues for soil and ground water contamination on the project site.
2. Hillary Hauser, Executive Director, Heal the Ocean, submitted a letter with concerns and offered her support to resolution of contamination issues before the project is developed.

3. Kira Redmond, Santa Barbara Channel Keeper, expressed concern over pollution resulting from a future construction site and compliance with the storm water ordinance. The site is adjacent to East Beach, where runoff of sediment could impact a popular public beach and public health. Soil erosion and contamination remain a concern.

With no one else wishing to speak, the public hearing was closed at 2:10 P.M.

Commissioner Campanella called for a recess at 4:30 P.M. and reconvened the meeting at 4:45 P.M.

Commissioner's comments:

Commissioner Jordan:

- Use is consistent with the location and surroundings, consistent with the General Plan, the Local Coastal Plan, Specific Plan, and any zoning ordinances. Agrees with Staff's Addendum with impact analysis of the EIR that finds no changes. Part of the agreement contains a few pages that spell out all the resources and money that Parker family has given the City. Clear that the City is way ahead in this relationship. City also has unique role of being a 12% partner in the revenue stream that goes into the General fund that provides many services to the community. Can support the recommendations with Staff's changes to the Development Agreement that further clarifies the storm water management plan details and further clarifies the process for Substantial Conformance Determination that brings it back to the Planning Commission.
- Issues: 1) Management of storm water runoff: Appreciates that the Parker Family will be addressing storm water management at both sites. And 2) The 20-year perceptual degradation on the mitigation concerning the youth hostel. What is in place there today is not what was talked about in the mid 1990's before the Planning Commission and the Coastal Commission. Recognizes that it was sold and the concept changed.

Commissioner Higgins:

- In viewing the youth hostel situation, finds that this is a lesson for our city and other cities about exotic conditions in the market place.
- Supports the project, as is, with the conditions that Commissioner Jordan mentioned.
- Supports applying credits to mitigation fees. Hotel rooms can be tied back to trip counts that can be tied to mitigation fees.
- Supports the project continuing on to City Council with a level 4 Substantial Conformance Determination. If the Applicant needs to transfer anything before the building permit is issued, he only supports a transfer as it relates to a completeness determination.

Commissioner Pujio:

- Supportive of the Development Agreement in concept, including the transfer of hotel rooms.
- Supports the concept, but when it comes to a Development Agreement, it is really about the specific terms. This is not standard zoning.
- Needs to see the second draft before she is comfortable with it. We will be living with this for ten years. In terms of revisions to be made, she would like to see:
  - 1) Storm Water Management plan clarification
  - 2) Level 4 SCD
  - 3) Discussions held on vesting and building permit extensions – wants to know what this means when we reference building permits, and what does it do to the DA when they expire. Clarification is needed.
  - 4) The terms ‘luxury hotel’ and ‘low cost hostel’ are in the documents and were not defined. To support the project now or when revised, need to see those portions of the document modified to take the ‘luxury’ and ‘youth hostel’ language out. “Whereas” and “Therefore”’s cannot perpetuate a myth. We did not get a hostel.
- On Page 2, Item F, “Whereas the Parkers have constructed a public parking lot...in front of the Fess Parker Hotel” needs to be revised to include the reference to the 17 parking spaces, including the location that Suzanne Elledge described to where they are physically.

Commissioner Lodge:

- Would like to see the proposal move ahead.
- Does not see the project entirely as a benefit. There will be a lot of low wage employees that will need affordable housing that is not available; and additional traffic, etc.
- Could not support the Development Agreement.
- Noted on Page 3, section L, the statement “Whereas on May 28, 1998, Chase Palm Park opened as the City’s largest waterfront park” is not accurate and would like to see it corrected to read “Whereas on May 28, 1998, with the addition of the park area north of Cabrillo jointly developed by the City Redevelopment Agency and the Parker Family, Chase Palm Park became the City’s largest waterfront park”.
- Does not approve of the many references highlighting the Parker’s contributions when they were in response to mitigation measures and not voluntarily. Does not feel that we owe the Parker family anything.
- Does not see a need for a change to the zoning ordinance and the transfer of existing development rights. The Parker Family can transfer development rights as it is written now and if they want to put them where the existing hotel is, they can propose a project and it will be reviewed even with the addition. Does not want to give a sense of entitlement to the developers.

Commissioner Schwartz:

- Defers to Staff as to whether the 10-year term is appropriate and will support the 10 years for Development Agreement. With the market turning around and lending being more favorable, she hopes that the Parker family can do something.
- Supports clarification and inclusion in the Development Agreement on the issue of construction and what has been done on the property.
- Agrees with Commissioner Pujo on wanting to see a revised draft of the Development agreement, due to its complexity and detail, before it goes to City Council.
- Would like to see Page 7, No. 5, Amendment to Agreement, include language that “any changes to the project will result in a Level 4 Substantial Conformance Determination review and automatically require Planning Commission review”.
- Referenced page 9, No. 8.3, Provision of Low-Cost Visitor Accommodations, stating that the Youth Hostel was a requirement of the California Coastal Commission with specific intentions. The Wayfarer may be a beautiful building, but in no way fulfills the intentions of the CCC and the mitigation that was required. This was a lesson learned for the city. She has ongoing concerns that we are fast losing the opportunity in the general waterfront and funk zone to provide visitor serving opportunities for moderate and low income accommodations. Coastal access for the general public, including lodging, is of critical importance to the City.
- Is concerned about being asked to provide any relief in Storm Water Management when this is the most enlightened important environmental decision that the Planning Commission can make, along with State and Federal Laws. She feels strongly about the ordinance and only having partial compliance.
- Agrees with Commissioner Lodge on the Transfer of Existing Development Rights and wonders why we would make an exception, and modify an ordinance for a single applicant. The bar would have to be so high for the defensibility. Did not hear an acceptable explanation to warrant an amendment.
- Inclined to suggest that a transfer be the square footage. Does not support the transfer of rooms, especially to the Fess Parker Hotel. Does not understand with the controversial legal issues/history, why the Parker family want to do this. But if the Council wants to grant that, then it is the Parker Family’s purgative.

Commissioner Thompson:

- Wants to see the project moved along.
- There is room for adjustments to the draft proposed Development Agreement and agrees with seeing a revised draft. He will leave it to Staff to provide a revised draft that includes storm water management discussion, Substantial Conformance Determination process, and a review of what has been completed at the site to date.
- Remains skeptical about the need to include provisions for a room-by-room transfer in addition to the standard Transfer of Existing Development Rights process that the city already has.

Commissioner Campanella:

- Wants to see the project move forward.
- Likes the concept of the Development Agreement to insure that both parties, the municipality and the applicant, know their rights going forward.
- Likes the flexibility in the transfer of square footage, although it is hard to find places to put it because unless someone has an approved project, you cannot place it. There is a lot of work involved, but there is enough out there before having to go to the hotel room option. Supports the square footage option.
- Would like to see the promotional “Whereas” statements removed from the Development Agreement and just stick to facts that relate to findings. Promotional statements are not findings.
- Supports providing assurances to the developer but does not support the language on Page 13 of the Staff Report, relative to findings in the Development Agreement, B.3. that reads “...and delay of private improvements will provide for more orderly and timely mitigation of traffic and air quality impacts.” He does not feel comfortable making a judgment to that effect and recommends removal of the language in the findings.
- Thinks there has been fairness on both sides over the years. This is not a standard document and he thanked Staff, the applicant, and the Planning Commission for going through all the documents, especially during the holidays.
- Supports moving forward with comments made by Commissioners on Level 4 Substantial Conformance Determination and Storm Water Management.
- Recommends that the Commission review a redraft or move forward today.

**Straw Poll**

Review a redraft of the Development Agreement, with modifications made by Staff, before going to City Council

Ayes: 5 Noes 2 (Jordan/Higgins)

**MOTION: Pujó/Thompson**

Continue the item to a future agenda for a revised draft with a discussion of how the revised draft meets the Commission’s expectations, Transfer of Development Right questions on the transfer on number of beds, and also the findings.

Scott Vincent, Assistant City Attorney, asked for direction on what was being asked of Staff and summarized what he understood requested as being:

- Clarification of Section 10.1 on Page 11 of the Development Agreement, specifically how the three types of potential projects will be addressed with respect to the Storm Water Management Ordinance.
  - A return of the 150-room approved hotel
  - A Substantial Conformance Determination, or
  - A new project that does not qualify for Substantial Conformance Determination.

In all three cases, he has heard that the applicant will comply with the construction and best management practices of the SWM. In all cases, the parking lot will comply with the SWM. The hotel parcel will comply with the treatment provisions of the SWM Ordinance, but cannot comply with the detention requirements of the SWM. The Substantial Conformance Determination or a new project would comply with the Storm Water Management Ordinance.

- Inclusion of the request for Level 4 Substantial Conformance Determination. He would recommend that it be placed in the second paragraph of Section 10.1 on Page 11 and read “Any request by the Parker Family for an Substantial Conformance Determination (SCD) shall be processed by the City in conformance with the SCD guidelines as a Level 4 review and shall be considered in relationship to the September 2007 hotel plans.” Any Substantial Conformance Determination will be a Level 4 SCD.
- Inclusion of a “Whereas” statement that delineates the construction on the site as of today.

Graham Lyons, Attorney, Mullen & Henzell, did not see a need to return to the Commission on consent for a full discussion when the revisions to the Development Agreement were understood and did not meet resistance from the applicant.

As the motion maker, Commissioner Pujo, clarified that her motion was also looking to include points that she had brought up earlier that included the removal of ‘luxury hotel’ and ‘low cost hostel’ language; inclusion of the 17 parking spaces; and building permit clarification. She wanted more than just a few lines in the revised document and wanted more clarity in the document when it returns.

Mr Vincent and Mr. Lyons both expressed a need to hear specifically from the Commission what revisions were being requested.

Mr. Vincent stated that during the course of the meeting he did not hear that a paragraph by paragraph review was being asked. The discussion had been predominately about the Transfer of Existing Development Rights and Storm Water Management, all primarily related to two pages within the Development Agreement. He providing clarification that revisions on these two topics would be a few paragraphs, not a page by page review. Mr. Vincent agreed to add language on the 17 parking spaces to Page 2, paragraph F.

Commissioner Schwartz did not want to see this return for a long discussion and suggested that it would be helpful for the revised draft to contain strikeout language so that the Commission could identify the changes made.

Commissioner Pujo further clarified that the intent of the motion was to have Staff highlight the sections of the draft agreement that refer to the TEDR and that a decision is then made at the continued hearing.

Commissioner Thompson withdrew his support to second the motion. There is no to discuss this at another meeting. The Commission needs to make a decision and give Staff direction

for bringing back a revised document that returns to the Commission. This motion then failed for lack of a second.

**MOTION: Pujo/Schwartz:**

Continue item for Staff to incorporate comments made by the Commission and Mr. Vincent which include: All items previously listed by Mr. Vincent.

2. Clarification in Development Agreement defining ‘new building’ and when it is vested/when it is not.
3. Removal of the terms ‘luxury hotel’ and ‘low-cost hostel’ from Sections M and N on Page 3 of the document.
4. Inclusion of the 17 public parking spaces.
5. Review of the document to include consistency through document of any changes made, such as Page 6, after “Now, therefore....”.

Mr. Lyons stated that the term ‘luxury’ is consistent with the Specific Plan and needs to remain in the Development Agreement or they would not be in compliance with the Specific Plan.

Commissioner Pujo replied that if the language terms ‘luxury’ and ‘low-cost’ were consistent with what is in the Specific Plan, then that is acceptable to her, otherwise the language is not acceptable to her in the document. The revised document should not contain embellishment and the terms in question should be recognizable as a quote from a prior document and not reflected as an opinion of the Planning Commission in the new document.

This motion carried by the following vote:

Ayes: 4 Noes: 3 (Lodge/Higgins/Jordan) Abstain: 0 Absent: 0

Commissioner Higgins cannot support the motion. There are statements of fact imbedded in the document, whether or not they are appreciated or implemented or not, we cannot go back in time and change. References to vesting rights are also statements of fact that should not be removed from the agreement.

**MOTION: Lodge/Thompson**

Not concur with the recommendation of an amendment to the Zoning Ordinance, Chapter 28.95 related to the Transfer of Existing Development Rights (TEDR), and remove references to the TEDR in the Development Agreement, leaving conditions as they are under the existing Ordinance.

Commissioner Lodge amended her motion to read:

Recommend an approval of an amendment to the Zoning Ordinance, Chapter 28.95 related to the Transfer of Existing Development Rights (TEDR), allowing the TEDR in square footage form or in the form of room-for-room.

Commissioner Higgins seconded the amended motion.

Planning Commission Secretary Julie Rodriguez interjected that Commissioner Higgins could not second a motion because there was already a motion on record that was seconded by Commissioner Thompson and only being clarified with an amendment. He could only second if Commissioner Thompson withdrew his support.

Commissioner Thompson asked for clarification of the amendment motion and withdrew his second based on removal of references to the transfer to the Fess Parker Hotel Parcel.

Commissioner Higgins withdrew his offer to second the motion for the same reason as Commissioner Thompson.

The motion died for lack of a second.

**MOTION: Higgins/Jordan**

Continue the Development Agreement for a revised draft and keep the Transfer of Existing Development Rights in the Development Agreement ~~with regard to hotel room unit by unit transfers in addition to square footage and that the Zoning Ordinance be amended to accommodate hotel room unit by unit transfers from that property to other properties in the City and keep~~ as stated in section 11.1.

This motion carried by the following vote:

Ayes: 4 Noes: 3 (Thompson, Lodge, Schwartz) Abstain: 0 Absent: 0



# City of Santa Barbara California

## PLANNING COMMISSION STAFF REPORT

**REPORT DATE:** March 3, 2016  
**AGENDA DATE:** March 10, 2016  
**PROJECT ADDRESS:** Waterfront Hotel, 433 E. Cabrillo Boulevard & 103 S. Calle Cesar Chavez (MST2013-00371)  
**TO:** Planning Commission  
**FROM:** Planning Division, (805) 564-5470, extension 4552  
 Beatriz Gularte, Senior Planner  
 Allison De Busk, Project Planner

### **I. PROJECT DESCRIPTION**

Continued review of a request for a new Development Agreement (DA) for the Waterfront Hotel to address construction of the hotel, including extending the time frame for construction of the approved hotel project. Additionally, provisions are included to allow for a revised project should completion of the approved 150-room hotel not be pursued further by the Applicant. In the event that a revised hotel proposal results in less square footage and/or fewer hotel rooms than originally approved, the DA includes a provision allowing the Applicant to propose transfer of remaining, unbuilt hotel rooms to another site.

Associated with the DA is a proposed amendment to the Zoning Ordinance related to the Transfer of Existing Development Rights Chapter (Chapter 28.95) that would defer to the DA in the event of a conflict between the DA and Chapter 28.95, thereby allowing the transfer of approved, but not built, hotel rooms for the Waterfront Hotel project.

### **II. REQUESTED APPLICATIONS**

The discretionary applications required for this project are:

- A. A Development Agreement to allow an additional ten (10) years to construct a 150 room hotel and parking lot and the option to either revise the project or propose a different design within this time period (Resolution 89-120);
- B. A Zoning Ordinance Amendment to Santa Barbara Municipal Code Chapter 28.95 - Transfer of Existing Development Rights to defer to the Development Agreement for provisions to provide the option for the Waterfront Hotel project to propose transfer of development rights associated with excess (approved but undeveloped) hotel rooms to another site, subject to City permitting requirements.

The City Council will be the decision-maker on these applications. The Planning Commission must make a recommendation on the applications to the City Council.

### **III. DISCUSSION**

The Planning Commission reviewed a proposed DA on January 7, 2016 and continued the project on a 4-3 vote to allow the Applicant time to address the Commission's comments and concerns, which were:

- Clarify how the three project options (1. approved hotel, 2. substantial conformance determination for approved hotel, and 3. revised project) will be addressed related to Storm Water Management Plan compliance.
- Note that any request for a substantial conformance determination (SCD) would be treated as a Level 4 SCD per Planning Commission Guidelines.
- Include additional information in the "Whereas" section that identifies when the project was vested.
- Include additional information in the "Whereas" section that identifies the construction work that has been completed to-date.
- Remove the "promotional" language from the "Whereas" section and reconsider the use of the terms "luxury hotel" and "low cost hostel".
- Correct the "Whereas" statement regarding the Chase Palm Park per Commissioner Lodge's comment.
- Identify where the 17 public parking spaces required as part of the Fess Parker Hotel approval are located.

At the January 7, 2016 meeting, the Planning Commission also decided, on a 4-3 vote, that the transfer of existing development rights section of the DA was acceptable and that the proposed amendment to Chapter 28.95 of the Zoning Ordinance (Exhibit B) was supportable.

The revised DA (Exhibit A) is shown in "track changes" mode so that the Commission can clearly see what has changed since the last review. Please note that the Commission's comments related to vesting and construction work completed at the site have not been addressed in the revised DA. The Applicant prefers to include that information separately, as they feel it would be unusual to include it in the DA. Detailed information will be provided in a forthcoming Applicant Letter.

In addition to the changes requested by the Planning Commission, other changes to the DA include:

- An additional metric for analyzing an SCD request (Section 10.1).
- Specifying how existing development rights on the Hotel Parcel would be calculated in the event the project is revised, either through an SCD or a New Development Proposal (Section 11).
- Simplifications to the section outlining a potential transfer to the Fess Parker Hotel Parcel (Section 11.1).
- Minor technical clean-ups.

Staff has also made some minor corrections to the proposed Addendum (Exhibit C), which are shown in "track changes."

Refer to the December 21, 2015 staff report (for the January 7, 2016 meeting) for a more complete discussion of the DA, the project history including approved development, General Plan and Local Coastal Plan consistency, and environmental review.

**IV. RECOMMENDATION**

Staff recommends that the Planning Commission recommend that City Council make the required planning and CEQA findings and recommend approval of the Development Agreement as proposed, and approval of an amendment to Zoning Ordinance, Chapter 29.95 related to the Transfer of Existing Development Rights.

**V. FINDINGS**

As part of the recommendation to City Council for approval of the Development Agreement and Zoning Ordinance Amendment, the Planning Commission finds the following:

**A. ENVIRONMENTAL REVIEW (CEQA GUIDELINES §15090, §15162 & §15164)**

1. The Planning Commission has reviewed and considered the Addendum, dated January 14, 2016, to the Certified Final Project Environmental Impact Report (EIR) SCH#92091038 along with the Certified EIR and earlier EIR Addenda of June 1995, November 1996, and August 2007, which together constitute environmental analysis for the current project under California Environmental Quality Act (CEQA) provisions; and
2. The Planning Commission finds that the EIR Addendum dated January 14, 2016 has been completed in compliance with CEQA and reflects the Commission's independent judgment and analysis.

**B. DEVELOPMENT AGREEMENT (COUNCIL RESOLUTION 89-120)**

1. The Development Agreement is consistent with the General Plan and Specific Plan, as well as the Local Coastal Plan and Zoning Ordinance, as described in Section IX of the December 21, 2015 Staff Report;
2. The Development Agreement is in substantial conformance with public necessity, convenience, and general welfare and good zoning practices because it will provide additional time for the applicant to develop a hotel in this location, which City plans and policies identify as a desired land use for the site, or will allow the opportunity for a revised hotel to be considered by the City, taking into consideration the significant public improvements that have been made in furtherance of the goals of the Specific Plan and the prior Development Agreement, including the approved project permit conditions of approval, and;
3. The Development Agreement provides assurances to the developer of the right to develop a project in accordance with the terms of the agreement and that adequate consideration is provided by the City that early completion of the public improvements, including the park and circulation improvements provided for more orderly and timely mitigation of traffic and air quality impacts.

Exhibits:

- A. Proposed Development Agreement
- B. Proposed Amendment to SBMC Ch. 28.95
- C. EIR Addendum dated January 14, 2016
- D. Planning Commission January 7, 2016 Staff Report (provided previously under separate cover, available electronically at: <http://www.santabarbaraca.gov/gov/brdcomm/nz/planning/agendas.asp>)

Ayes: 6 Noes: 1 (Thompson) Abstain: 0 Absent: 0

Chair Campanella announced the ten calendar day appeal period.

Chair Campanella called for a recess at 2:16 P.M and reconvened the meeting at 2:30 P.M.

**IV. CONTINUED ITEM:**

**ACTUAL TIME: 2:30 P.M.**

**APPLICATION OF THE PARKER FAMILY FOR 433 EAST CABRILLO BOULEVARD (WATERFRONT HOTEL), APN 017-680-009, ZONING DESIGNATION: HOTEL AND RELATED COMMERCE/ PARK PLAZA SPECIFIC PLAN/ COASTAL ZONE OVERLAY (HRC-2/SP-1/SD-3), GENERAL PLAN DESIGNATION: OCEAN-RELATED COMMERCIAL/ MEDIUM HIGH RESIDENTIAL, LOCAL COASTAL PLAN DESIGNATION: HOTEL AND RELATED COMMERCE; AND 103 SOUTH CALLE CESAR CHAVEZ (HOTEL PARKING LOT), APN 017-113-020, ZONING DESIGNATION: OCEAN-ORIENTED LIGHT MANUFACTURING/ COASTAL ZONE OVERLAY (OM-1/SD-3), GENERAL PLAN DESIGNATION: OCEAN-RELATED INDUSTRIAL, LOCAL COASTAL PLAN DESIGNATION: OCEAN ORIENTED INDUSTRIAL (MST2013-00371)**

Continued review of a request for a Development Agreement and an associated Ordinance Amendment related to Transfer of Existing Development Rights. The Planning Commission reviewed this item on January 7, 2016 and continued it with direction to the applicant to incorporate changes and address Planning Commission comments.

On August 15, 1995, City Council adopted Ordinance 4920, which included a Development Agreement (DA) and associated conditions of approval for development of the Chase Palm Park expansion, the Waterfront Hotel (433 East Cabrillo Boulevard), and a youth hostel. The DA allowed the Chase Palm Park expansion project to commence immediately and provided the property owner, American Tradition, 12 years to construct the hotel and hostel. In 2007, the City issued building permits for both the 150-room Waterfront Hotel and associated parking lot, and the youth hostel. While the hostel (12 E. Montecito St.) has since been completed, the hotel project has stalled. In order to maintain the existing development rights for the approved hotel and establish the potential and associated process for a revised project, a new DA is being considered. As such, the proposed DA includes the following major components:

- Establishment of a new ten-year term for the DA.
- Acknowledgment of the approved status of the 150-room hotel project, including parking lot, which could continue to be constructed without further discretionary review.

- A provision that all current Building and Public Works permits for the approved hotel project would expire upon the effective date of the DA, and new ministerial permits (consistent with current codes) for the approved project must be issued within five years of the effective date of the DA.
- A provision that if the approved 150-room hotel project is abandoned and a revised hotel project is pursued at any time during the term of the DA, the project would be subject to policies, ordinances, resolutions, codes, rules, regulations and official policies governing development of the site(s) in effect as of the effective date of the DA.
- If a revised hotel project is approved during the term of the DA and it results in less than the currently approved 150 hotel rooms, the Applicant has the ability to propose the transfer of excess rooms or square footage to another parcel, consistent with applicable City ordinance provisions and processes for doing so.

Note: A Development Agreement and Ordinance Amendment require City Council approval at a subsequent public hearing to be scheduled. The purpose of this March 10<sup>th</sup> hearing is for the Planning Commission to consider the request and environmental document prepared for the project and provide a recommendation to City Council on the following:

1. A Development Agreement to allow an additional ten (10) years to construct the approved 150-room hotel and parking lot, or a revised project (Council Resolution 89-120); and
2. A Zoning Ordinance Amendment (SBMC Chapter 28.95 - Transfer of Existing Development Rights) to defer to the Waterfront Hotel Development Agreement for provisions allowing the applicant to propose the transfer of excess (approved but undeveloped) hotel rooms from the Waterfront Hotel site.

An Addendum to the 1993 Final Environmental Impact Report (EIR) has been prepared in accordance with California Environmental Quality Act (CEQA) Guidelines Section 15164 to address minor changes to the project and EIR analysis. The Planning Commission will consider the Addendum together with the previously certified Final EIR, and consider a recommendation to City Council regarding the adequacy of the environmental review pursuant to CEQA Guidelines Section 15090.

Contact: Allison DeBusk, Project Planner  
Email: [ADebusk@SantaBarbaraCA.gov](mailto:ADebusk@SantaBarbaraCA.gov)

Phone: (805) 564-5470, ext. 4552

Allison DeBusk, Project Planner, gave the Staff presentation.

Suzanne Elledge, Suzanne Elledge Planning and Permitting, gave the Applicant presentation. Also present were Eli Parker and Ashleigh Parker-Snyder, and Graham Lyons, Mullen & Henzell, LLP.

Chair Campanella opened the public hearing at 2:48 P.M., and with no one wishing to speak, the public hearing was closed.

Commissioner Thompson left the dais at 5:05 P.M. and did not return.

**MOTION: Pujo/Jordan**

Continue to a special meeting on March 24, 2016.

Commissioner Jordan left the dais at 5:40 P.M. and did not return.

Motion was withdrawn for absence of the seconder to the Motion.

**Straw poll:**

Who agrees with the recommendations as stated?

Ayes 2 (Campanella, Higgins)

**Straw Poll:**

Who agrees with the recommendations with the removal of section 11.1 from the Development Agreement?

Ayes: 2 (Lodge, Schwartz)

Commissioner Pujo (04:35) would agree to modification if some of the language regarding low/lower income modifiers on the youth hostel and if section 11.1 is eliminated altogether, she would not be dissatisfied with the Development Agreement, but would also be satisfied if additional language on section 11.1.2 to clarify that the original conditions would be reviewed and the effect changes would have on the Fess Parker Hotel. Also include a finding of fact in regards to the cap.

Commissioner Higgins expressed that this deliberation is ridiculous and recommended that if a Commissioner is going to spend more than an hour on an item, then the Commissioner should meet with Staff beforehand.

Graham Lyons, Attorney for the Applicant, asked for a moment to confer with the applicant team resulting in a suggestion to ask for a recommendation to City Council for approval of the Development Agreement, with the exclusion of section 11.1., and a recommendation for approval of the Zoning Ordinance, Chapter 28.95, related to the Transfer of Existing Development Rights.

**Motion: Lodge/Schwartz**

Recommends that City Council make the required planning and CEQA findings and approve the Development Agreement, with the exclusion of Section 11.1., and approve an Amendment to the Zoning Ordinance, Chapter 28.95, related to the Transfer of Existing Development Right, as found in the Staff Report dated March 3, 2016, with the following revisions to the Development Plan:

1. Revise Recital B to read, “Whereas, beginning in the late 1970’s, The City and Fess Parker began working to revitalize the waterfront area and the properties controlled by the Parkers along Cabrillo Boulevard. The City’s and the Parker’s plans for the waterfront came to include a conference center hotel, a waterfront public park, significant public open space, a hostel, and a waterfront hotel; and”
2. Revise Recital V to read, “Whereas, the City and the Parker Family wish to complete the development of the waterfront area in accordance with the Amended Specific Plan, and”
3. Revise Recital X.a. to read, “Dedicated land to enlarge Chase Palm Park,”
4. Revise Recital Z to read, “Whereas, a redesigned hotel may be in the best interest of both the City and the Parker Family as it may have fewer impacts on traffic and public views, and may create more open space, on Parcel B, while continuing to provide a first-class hotel on the City’s waterfront; and”

Commissioner Pujo could agree with the historical references in the Development Agreement, but felt that the modifiers do not fit today, such as the youth hostel is not low-cost, and the hotel may not be luxury. She would like to remove the “low” or “lower cost” and “luxury” or “first class” modifiers out of the Development Agreement found on pages 2, 4, 5, 9, and 23. The motion maker and seconder agreed to include the requested changes in the motion.

This motion carried by the following vote:

Ayes: 4 Noes: 1 (Higgins) Abstain: 0 Absent: 2 (Jordan, Thompson)

Commissioner Higgins voted in the minority based on principle and believes that the modifiers being removed are historically factual and should remain in the Development Agreement.

Chair Campanella announced the ten calendar day appeal period.

V. **CONCEPT REVIEW:**

**ACTUAL TIME: 6:01 P.M.**

**APPLICATION OF ASHLEIGH SHUE, SUPERVISING CIVIL ENGINEER FOR CITY OF SANTA BARBARA PUBLIC WORKS DEPARTMENT, CITY RIGHT OF WAY ALONG MODOC ROAD AND LAS POSITAS ROAD, ZONES ADJACENT CITY RIGHT OF WAY INCLUDING: PARK AND RECREATION ZONE WITH COASTAL ZONE OVERLAY (P-R/SD-3), PARK AND RECREATION ZONE (P-R), ONE FAMILY RESIDENCE ZONES (A-1, E-1, E-3), ONE FAMILY RESIDENCE ZONE WITH PLANNED UNIT DEVELOPMENT (E-1/PUD), PLANNED UNIT DEVELOPMENT (PUD 2.5), TWO-FAMILY RESIDENTIAL (R-2), UNINCORPORATED COUNTY PROPERTIES, GENERAL PLAN**



**ADDENDUM**  
**TO ENVIRONMENTAL IMPACT REPORT (SCH #92091038)**  
**FOR WATERFRONT HOTEL PROJECT (MST2013-00371)**  
**433 East Cabrillo Boulevard (hotel site) and**  
**103 South Calle Cesar Chavez (parking lot site)**  
**January 14, 2016**

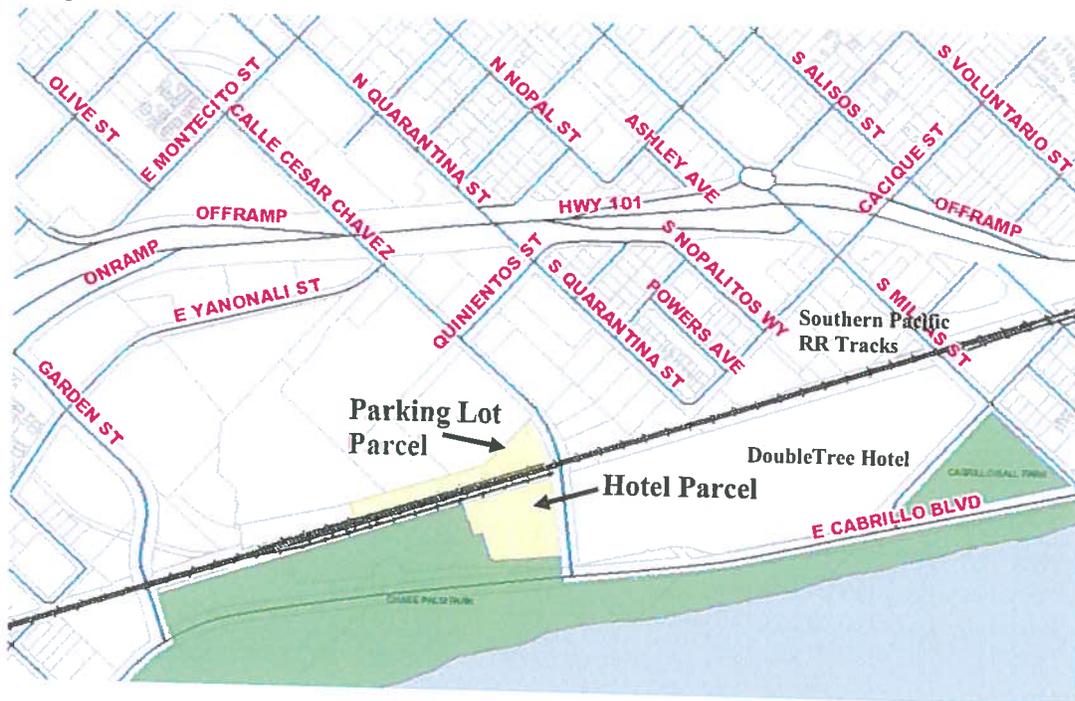
This addendum to a prior certified project environmental impact report (EIR) evaluates environmental impacts of a proposed Development Agreement, which would extend the time frame for completing permitting and construction of the previously approved hotel project and establish conditions for considering a revised hotel project and transfer of existing development rights. The previously approved hotel project consists of a 150-room Waterfront Hotel proposed to be developed at 433 East Cabrillo Boulevard (Exhibit A – Project Exhibits) and its associated parking lot proposed at 103 South Calle Cesar Chavez. The current project applications also include a proposed Zoning Ordinance Amendment, which would amend Chapter 28.95 of the Santa Barbara Municipal Code (SBMC) to allow for approved hotel rooms on the project site to be transferred as hotel rooms to another receiving site(s).

This EIR addendum is prepared in accordance with the California Environmental Quality Act (CEQA), and State CEQA Guidelines Section 15164. An addendum to a prior EIR identifies minor changes to the EIR that make the EIR adequate for the current project permitting decision. This includes changes to reflect project description refinements, mitigation already implemented, changes to environmental conditions on the ground, current criteria used in environmental impact analysis, and changes to project impacts, impact significance, and mitigation measures. The addendum procedure is followed when changes do not involve new significant environmental impacts or a substantial increase in significant impacts previously identified in the EIR and prior addenda, per criteria specified in CEQA Guidelines Section 15162.

The CEQA Guidelines provide that an EIR addendum need not be circulated for a public review and comment period, but is attached to the EIR, and a separate public hearing is not required. This EIR addendum is provided to the public and decision-makers as part of project staff reports issued prior to Planning Commission and City Council hearings on the project. Public comment can be received prior to and at the hearings. The decision-making bodies consider the addendum together with the certified EIR when making decisions on the current project permit applications. The EIR and addendum inform CEQA environmental impact findings that support decision-maker actions on the project.

This EIR addendum has been prepared by City staff based on an environmental Initial Study assessment of the current project in light of the prior project EIR. The Initial Study, dated December 14, 2015, was completed to evaluate the adequacy of the prior project EIR impact analysis for the current project application, and to identify any need for information updates and/or documentation. This EIR addendum summarizes the Initial Study analysis and conclusions.

### Project Location



### PREVIOUS ENVIRONMENTAL DOCUMENT AND PROJECT APPROVALS

*Previous Project EIR.* Environmental impact analysis for the Waterfront Hotel project was provided with a certified project EIR dated June 18, 1993. The EIR evaluated multiple projects proposed on several parcels within the Park Plaza Specific Plan area: the Waterfront Hotel, Chase Palm Park expansion, and a youth hostel. Addenda to the project EIR dated June 8, 1995, November 7, 1996, and August 13, 2007 were prepared for project refinements, including moving a portion of hotel parking to a separate parcel at 103 South Calle Cesar Chavez Street, and incorporating wetland habitat restoration on that site.

*Previous Project EIR Mitigation.* Mitigation measures identified in the EIR to reduce potentially significant hotel project impacts were incorporated as project components and conditions of approval for air quality, public safety, noise, and traffic impacts. Standard application of regulations, policies, ordinance provisions, design guidelines, and permit conditions reduced other impacts.

*Previous Project EIR Impacts Identified.* The EIR analysis concluded that hotel project air quality impacts and the project contribution to cumulative traffic impacts would not be fully mitigated and these impacts were identified to remain as significant and unavoidable after mitigation (Class 1 impacts). Other environmental impacts were identified as less than significant (Class 3 impacts) or potentially significant but mitigated to less than significant levels with design changes and measures applied as conditions of permit approval (Class 2 impacts).

*Project Permit Approvals.* From 1993 to 1996, the proposed hotel, park expansion, and youth hostel projects received City environmental review and discretionary land use permit approvals, including an amendment to the Park Plaza Specific Plan (SP-1), a Coastal Development Permit (CDP), Development Plan approval, a Development Agreement, and Historic Landmarks Commission design review approval. Two Substantial Conformance Determinations were also issued for project refinements during this period. Building permits were issued for the park expansion in 1995, for the youth hostel and hotel projects in 2007, and for the parking lot in 2008.

Completed Development Activities. Since permit issuance, the following development activities have occurred both on the project sites and in the public right-of-way, and including applicable EIR mitigation measures and permit conditions requiring applicant funding for improvements:

- Roadway improvements supporting the hotel and park projects were installed in 1995-1996. These included the Salsipuedes Street (now Calle Cesar Chavez) and Garden Street connections to the Waterfront area; Garden and Salsipuedes Street improvements (street, curb, gutter, and sidewalk); and pedestrian improvements along Garden and Salsipuedes Streets and Cabrillo Boulevard. The Waterfront project applicant funded 60% of the Salsipuedes Street improvements.
- The Chase Palm Park expansion project was completed in 1996, which included an approximate five-acre land dedication from the hotel project applicant.
- An annual park maintenance fee of \$62,500 has been paid by the hotel project applicant to the City.
- A traffic improvement fee of \$124,014 was paid to the City in 2007 for a planned traffic light improvement at the Highway 101/Hot Springs intersection, and an alternate roundabout improvement was subsequently installed at that location.
- An air quality offset fee for the hotel of \$54,000 (60% of the total hotel/park fee) was paid to the Santa Barbara County Air Pollution Control District in 2007 to support a commuter transit program.
- The hotel site and parking lot site were graded and soil remediation was completed on the hotel site and under the parking lot in 2008. Remediation on the parking lot site in the area of the restoration is still pending.
- The youth hostel project was completed in 2014.

General Plan Program EIR. A certified Program EIR (SCH #2009011031) for City adoption of the 2011 General Plan Update contains updated cumulative analysis of environmental effects associated with incremental development throughout the City (incorporated herein by reference). The Waterfront Hotel project was considered as an approved project as part of the Program EIR analysis.

## **CURRENT PROJECT DESCRIPTION**

Current Permit Applications. The hotel project applicant requests a new Development Agreement (DA) to extend the time frame for the hotel project development and establish conditions and procedures for an option to consider a revised hotel project and the possible transfer of existing development rights at some future time. The new DA would incorporate the following components:

- All current building permits and public works permits for the hotel project would expire.
- A new 10-year term for the DA would be established.
- Within the first five years, the applicant could proceed with the previously approved 150-room hotel subject to issuance of new building and public works permits consistent with current code requirements.
- If a hotel project other than the previously approved 150-room hotel project is proposed at any time during the 10-year period, the new project would be subject to appropriate environmental review, discretionary planning permits, design review approval, and other applicable permits, consistent with General and Local Coastal Plan policies, codes, and other applicable regulations current at the time of application review.
- If a new or revised hotel project results in less than 150 rooms, the applicant could propose transferring development rights for the remaining room count or square footage to another site, consistent with applicable City ordinance provisions and the DA.

In addition, an amendment is proposed to the City ordinance that governs transfers of development rights (Santa Barbara Municipal Code Chapter 28.95) to ensure that there would be no conflict between the legal provisions of the ordinance and the project DA. The amendment would add a provision to the ordinance that the DA provisions would control in the event of a conflict.

*Hotel Project Description.* The hotel parcel is approximately three acres and is located at 433 East Cabrillo Boulevard, north of Cabrillo Boulevard and west of Calle Cesar Chavez. The separate parking lot parcel is approximately two acres and is located at 103 South Calle Cesar Chavez, north of the hotel parcel and the Union Pacific railroad tracks and on the west side of Calle Cesar Chavez. This is the project previously approved by the City for which building permits were issued in 2007 (hotel) and 2008 (parking lot).

*Hotel:* The 150-room luxury hotel and associated banquet facilities would be approximately 142,000 square feet in size, and two to three stories with a 45-foot maximum height. A basement area would be used for back-of-house facilities (e.g., storage, employee space). Development on the hotel site would also include patios, gardens, a pool, and 10-12 parking spaces.

*Parking:* Parking spaces on the hotel parcel would provide for initial guest arrivals and accessibility for disabled persons. Employee parking and guest parking would be provided at two offsite locations. Under a lease arrangement, up to 150 regular parking spaces would be available at the existing DoubleTree Hotel parking lot (accommodating more vehicles with valet parking configuration) located at 633 E. Cabrillo Blvd. An additional 111 parking spaces would be available at a new valet parking lot to be developed at 103 South Calle Cesar Chavez as part of the project on the separate parking lot parcel to the north.

*Improvements:* The following additional improvements would be installed as part of the project. New landscaping would be provided by the applicant along the western and southern edge of the hotel parcel on the adjacent Chase Palm Park property within an area designated as the Transition Area, which is recorded in Parcel Map Book 51, Page 96. A fire lane providing emergency access for the hotel and Chase Palm Park sites would be established within a recorded easement area of approximate 20 foot width along the northern perimeter of the hotel parcel from Calle Cesar Chavez, then running south (perpendicular to Cabrillo Boulevard) following the western border of the Transition Area in the Park. A left-turn pocket would be provided within the Calle Cesar Chavez road right-of-way for cars entering the parking lot parcel from the northbound lane. A habitat restoration plan would be implemented for the portion of El Estero drainage located on the parking lot parcel, per the approved 2007 restoration plan.

*Revised Hotel Project and Transfer of Existing Development Rights (TEDR):* The new Development Agreement would provide for the option of submitting an application for a revised hotel project. In the event that future project changes result in fewer rooms on the project site, the applicant would have the option of proposing a transfer of remaining rooms to another parcel in the Downtown development area. Any such revisions to the project or proposed transfer of development rights would be reviewed and permits considered under appropriate City regulations, environmental review requirements, and provisions specified in applicable City ordinance provisions and the Development Agreement. The receiving site of a proposed development transfer would also require separate applications, environmental review, and permit approvals.

*Changes to project previously reviewed by EIR.* Prior addenda to the project EIR provided review of earlier project refinements, including parking changes and the wetland habitat restoration plan.

## PROJECT IMPACTS AND MITIGATIONS

This section is organized by impact topics, and provides the following information: (1) hotel project environmental impacts and mitigations identified in the prior 1993 project EIR and subsequent addenda; (2) relevant changes since the project EIR was certified, pertaining to the project description, environmental circumstances, evaluation criteria, or regulations; and (3) environmental impact analysis, including cumulative analysis, for the Development Agreement, which would extend the life of the hotel project. The analysis is supported by the 2015 Initial Study for the current project.

**Impacts of Potential Transfer of Existing Development Rights (TEDR) Provisions.** The prior approved hotel project was permitted for a 150-room hotel. The proposed Development Agreement (DA) would establish an option and process for the transfer of existing development rights (TEDR). In the event of a revised hotel project proposal with less than 150 rooms, development rights associated with the unconstructed rooms could

be proposed for transfer to another site in accordance with the City's Traffic Management Strategy and approval process. An ordinance amendment to SBMC Chapter 28.95 (Transfer of Existing Development Rights) is also proposed, which would provide that the DA would control in the event of a conflict between the DA and the ordinance provisions in SBMC Chapter 28.95. The effect of this amendment would be to allow the project to propose transfer of approved but not constructed hotel rooms to another site, whereas the ordinance currently allows only the transfer of approved square footage. The DA only includes these provisions for a possible future transfer proposal in the event the approved hotel project is not constructed, and no actual proposal or approval for a transfer of development rights is currently proposed. Any future transfer proposal would require further discretionary permitting and environmental review of impacts at the hotel site and impacts at the receiving site(s) at the time of the proposal. Without any proposal for a transfer of development rights as part of the current project, including the specific number of rooms and location of receiver site(s), it is not possible to evaluate environmental impacts at this time, and any such present analysis would be speculative. The DA provision and ordinance amendment allowing this possible future option for development transfer do not themselves have any environmental impacts.

### **Visual Resources**

1993 Project EIR (§VI.F Visual Resources) and Addenda. Hotel project impacts associated with scenic views, visual character/compatibility, and lighting were identified as less than significant (Class 3). A recommended measure was applied for screening of rooftop equipment through project design review approval.

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. The hotel and parking lot sites have been graded and remediated for soil contamination, and continue to be vacant. The hotel site has sparse non-native vegetation and the parking lot site includes the Laguna Drain with a mix of native and non-native vegetation.

Visual Resources Impact Analysis of Current Project. There is no substantial change to the project EIR visual resources analysis, and no change to impact classifications.

Mountain views are being preserved across the park, and view corridors are provided through Calle Cesar Chavez. The hotel project would be located in an urban area planned through a Specific Plan and zoned for the type of development proposed, and has received previous City Council land use approval with findings of consistency with City visual policies. The project is subject to design review for consistency with visual design guidelines, and received prior Historic Landmarks Commission (HLC) design review approval initially in the 1990's. Subsequent design review of the hotel occurred as minor revisions were proposed and final HLC approval was granted in 2007.

- Scenic Vista Impacts. The hotel project would block some mountain views from limited vantage points, an adverse but *less than significant impact (Class 3)* on scenic vistas.
- Visual Character Impacts. Project design and design review approval provide that project visual character and compatibility impacts would be *less than significant impact (Class 3)*.
- Lighting Impacts. Required project compliance with the City lighting ordinance provides that project lighting would have a *less than significant impact (Class 3)*.

In summary, project impacts to visual resources remain less than significant (Class 3), and no mitigation is required to reduce potentially significant impacts. The project would not conflict with visual resources policies and regulations.

Cumulative Impacts. The 2011 General Plan Program EIR found that with application of General Plan visual resources policies, lighting code provisions, and design review guidelines, incremental citywide development would result in less than significant cumulative impacts on scenic views, community character, and lighting. The hotel project is part of the assumed incremental citywide development and would not result in a considerable contribution to significant cumulative visual resources impacts.

### **Air Quality**

1993 Project EIR (\$VI.B Air Quality) and Addenda. The EIR identified significant (Class I) long-term impacts of hotel operations (vehicles, buildings, equipment) associated with criteria air pollutants (precursors to smog generation: reactive organic compounds and nitrogen oxides). Mitigation measures applied to partially reduce impacts entailed the use of low-volatile materials and energy-efficient building design, transportation demand management, and an air pollution offset in-lieu fee. Short-term construction-related impacts from earthwork and vehicles/equipment (dust/particulates and nitrogen oxides) were identified as significant (Class 1), with dust and equipment mitigation controls applied to partially reduce impacts. Odor impacts were identified as less than significant (Class 3).

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. With addition of the parking lot parcel as part of the project in 2007, an underground parking garage is no longer proposed with the current hotel project, which substantially reduces associated earthwork. Most site preparation grading on the hotel and parking lot sites has been completed in conjunction with soil remediation, with mitigation measures applied. The project applicant paid an air pollution offset fee of \$54,000 to the Santa Barbara County Air Pollution Control District (APCD) to support a commuter transit program (Clean Air Express). Since the time of the project EIR, State air quality regulations have changed (e.g., more stringent auto, industrial, and equipment controls) and air quality has substantially improved. APCD and City impact evaluation criteria have changed, and new computer models and updated trip generation and pollutant emissions factors are used to estimate project emissions. Current CEQA regulations now require analysis of greenhouse gas impacts affecting global climate change.

Air Quality Impact Analysis of Current Project. Air quality impacts of the hotel project are expected to be less than identified in the project EIR and no further mitigation is required beyond standard construction-related provisions.

Updated air pollutant emissions estimates for the project were calculated using the CalEEMod (v. 2013.2.2) computer model, project land use, updated (lower) project vehicle trip generation estimate, updated (lower) State pollutant emissions/vehicle mile factors, and updated impact significance thresholds of the APCD and City (See Initial Study Exhibit C).

- Long-Term Impacts. Project long-term air pollutant emissions would be below the APCD and City impact significance thresholds for vehicle emissions (the thresholds are 25 pounds per day reactive organic gases (ROG) and nitrogen oxides (NO<sub>x</sub>), and combined vehicle and stationary source emissions of 240 pounds per day of ROG and NO<sub>x</sub> and 80 pounds per day of particulate matter-PM<sub>10</sub>). Long-term air quality effects of the hotel project would be *less than significant (Class 3)*.
- Short-Term Impacts. The project construction period is estimated at 18-24 months. With application of current standard construction measures for dust suppression and reduction of construction equipment emissions, construction-related air pollutant emissions would be below the APCD and City guideline of 25 tons/year of combined emissions of ROG, NO<sub>x</sub>, carbon monoxide, sulfur dioxide, PM<sub>10</sub>, and PM<sub>2.5</sub>), a *less than significant impact (Class 3)*.
- Odor Impacts. Ancillary hotel activities such as the restaurant, bar, and banquets or other group events would have negligible odor impacts, a *less than significant impact (Class 3)*.
- Greenhouse Gas Impacts. The City Climate Action Plan provides programmatic mitigation of citywide greenhouse gas generation associated with development under the General Plan. The project is within assumed City development parameters and would incorporate applicable policies, regulations, and design guidelines that reduce mobile and stationary greenhouse gas emissions. Project greenhouse gas emissions from direct and indirect sources would be *less than significant (Class 3)* (See Initial Study Exhibit D).

In summary, hotel project long-term and short-term air pollution, odor, and greenhouse gas emissions impacts are less than significant and no further mitigation is required. The project would not conflict with federal, State, and local air quality and climate change policies and regulations.

Short-term construction-related air quality impacts would be addressed with standard construction provisions for dust suppression and equipment emissions reduction, and would be less than significant, with no further mitigation required.

Cumulative Impacts. Cumulative air quality and greenhouse gas impacts associated with citywide growth were found to be less than significant in the General Plan Program EIR, Clean Air Plan SEIR, and Climate Action Plan Addendum to the Program EIR. The project is within the growth assumptions for these analyses, and applicable policies and regulations for reduction of air pollution and greenhouse gas would be applied to the project. Project air emissions would not constitute considerable contributions to cumulative air pollutant or greenhouse gas impacts.

### **Biological Resources**

1993 Project EIR (§VI.G Biological Resources) and Addenda. Hotel project impacts on habitats, wildlife, and vegetation were found to be less than significant (Class 3).

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. The project sites remain vacant with sparse vegetation. Grading and soil remediation was completed on the hotel site in 2008. A habitat restoration plan on the parking lot parcel was added as a project component in 2007. City master environmental assessment (MEA) biological resources maps and guidelines were updated in 2009.

Biological Resources Impact Analysis of Current Project. There is no substantial change to the project EIR biological resources impact analysis, and no further mitigation is required beyond project description components.

- **Habitat Impacts.** The hotel site has no wetland, riparian, or other natural habitat. The parking lot parcel contains a portion of the El Estero drainage along the southern property line, and an unnamed drainage along the northern property line. Development would be set back from the drainages and a habitat restoration program would be instituted. The restoration plan entails removal of debris and non-native and invasive vegetation, and revegetation with native plantings. At the northern drainage, an existing culvert would be removed and replaced with a vegetated swale. Hotel project impacts associated with wetlands and other habitats would be *less than significant (Class 3)* and the restoration plan would have a *beneficial impact (Class 4)* to water quality and habitat values.
- **Individual Species Impacts.** The hotel and parking lot sites contain no protected native wildlife or plant species or specimen trees. The parking lot setback and restoration of the El Estero drain would protect and enhance any potential habitat for the southwestern pond turtle, an identified species of concern (experiencing habitat loss or species decline) but not listed as threatened or endangered by federal or State wildlife agencies. The project habitat restoration plan also includes a standard measure for minimizing disturbance to any nesting birds during project construction or habitat restoration activities. Project impacts associated with wildlife and vegetation species would be *less than significant (Class 3)*.

In summary, project biological resource impacts would be less than significant; no mitigation is required. The project would not conflict with biological resources policies or regulations.

Cumulative Impacts. The General Plan Program EIR found that cumulative biological impacts associated with citywide growth would be less than significant with protective policies and regulations in place. The project would not result in a considerable contribution to cumulative biological resources impacts in the City or region, and the project habitat restoration component would benefit wetland resources.

### **Cultural Resources**

1993 Project EIR (§§VI.C-Archaeological and VI.D-Historical) and Addenda. No historic or known archaeological resources exist on the project sites. The EIR analysis found that required Historic Landmarks Commission (HLC) design approval would assure that the hotel would have no significant impact to historic

resources or the historic Cabrillo Boulevard corridor (Class 3). The sites were identified as potentially sensitive for subsurface prehistoric and early 20<sup>th</sup>-century archaeology. Phase 1 archaeological investigation reports were accepted by the HLC for the hotel site (1992) and parking lot site (2007). Project archaeological impacts were found to be less than significant (Class 3). The archaeological reports recommended earthwork monitoring.

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. The HLC approved the final hotel project design on September 5, 2007 and the ABR approved the parking lot development on December 17, 2007. Grading and soil remediation on the hotel and parking lot sites was monitored per project conditions as recommended by archaeological reports, with no important cultural resources found or further mitigation required. Road improvements were subject to standard procedures for unanticipated discovery of subsurface cultural resources, with no important resources found. The City Master Environmental Assessment Guidelines for historical and archaeological resources, including the archaeological sensitivity map, were updated in 1997 and 2002.

Cultural Resources Impact Analysis of Current Project. There is no substantial change to the project EIR assessment of cultural resources impacts, and no mitigation is required beyond standard archaeological resource discovery provisions.

- Historical Resources Impacts. The project hotel and parking lot sites have no historic resources. The hotel site is located within the El Pueblo Viejo (EPV) design district and received project design review approval by the Historic Landmarks Commission. The hotel would have a substantial setback from Cabrillo Boulevard and would not negatively impact the historic Cabrillo Boulevard corridor. Project historic resources impacts would be *less than significant (Class 3)*.
- Archaeological Resources Impacts. The current MEA identifies the sites as potentially sensitive only for early 20<sup>th</sup> century era archaeology given prior disturbance from fill and debris deposits. Archaeological studies and site monitoring of earthwork yielded no important resources. Limited remaining earthwork, site preparation, and construction of the current project would have a *less than significant (Class 3)* impact. A standard construction condition which specifies contractor procedures in the event of unanticipated discovery of resources during earthwork, consistent with City General Plan policies, Master Environmental Assessment procedures, and Municipal Code provisions would be required and would further reduce adverse but less than significant impacts associated with archaeological resources.
- Other Cultural Resources Impacts. Based on prior cultural resources studies and earthwork monitoring, there is no evidence of human remains, paleontological resources, or tribal cultural resources on the project sites. Project impacts would be *less than significant (Class 3)*. The standard construction discovery procedures would apply if resources are uncovered.

In summary, project cultural resources impacts would be less than significant, and no further mitigation is required. The project would be subject to standard construction discovery procedures. The project would not conflict with cultural resources policies or regulations.

Cumulative Impacts. The 2011 General Plan Program EIR found that with extensive regulations and policies in place to address potential project-specific effects on cultural resources, cumulative cultural impacts associated with citywide growth would be less than significant. Cultural resources impacts of the hotel and parking lot projects would be less than significant and would not represent a considerable contribution to cumulative cultural resources impacts.

### **Geophysical Conditions**

1993 Project EIR (EIR Appendix A) and Addenda. The analysis found that potentially significant impacts associated with earthquake groundshaking, liquefaction, and soil settlement would be mitigated to less than significant levels (Class 2) with incorporation of project design measures identified in the geotechnical reports

and required by Building Code. Other seismic, geologic, and soil-related impacts were identified as less than significant (Class 3).

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. In 2007-08, contaminated soils on the project sites were excavated and replaced with clean soils and the sites were re-compacted consistent with State and local regulations to address liquefaction and settlement hazards. State and City building codes have been updated several times since the project EIR analysis, and State and City storm water management requirements that address soil erosion have been adopted. City master environmental assessment (MEA) geologic maps and guidelines have been updated (2009 and 2012).

Geophysical Impact Analysis of Current Project. There is no substantial change to the project EIR assessment of project impacts pertaining to seismic, geologic, and soil conditions, and no mitigation is required beyond grading and building code requirements.

- Seismic and Geologic Impacts. The project has already implemented some EIR-identified mitigation for site preparation (soil overexcavation/ recompaction). The project would be required to further address geophysical hazards through project site, foundation, and building design measures identified in technical report recommendations and current code requirements, as confirmed through a new building permit process. Project seismic and geologic impacts would be *less than significant (Class 3)*.
- Soil Erosion Impacts. The grading permit process applied measures to minimize soil erosion during earthwork already completed on the project sites. The hotel project would be required to implement measures to minimize both construction-related and long-term soil erosion effects consistent with State and City regulations. Project soil erosion impacts would be *less than significant (Class 3)*.

In summary, the project design would be subject to regulatory requirements to address potential seismic, geologic, and soil hazards through the building and grading permit process, and project geophysical-related impacts would be less than significant. The project would not conflict with geophysical policies or regulations.

Cumulative Impacts. The 2011 General Plan Program EIR found that, with extensive regulations and policies in place to address potential project-specific effects pertaining to seismic, geologic, and soil hazards, cumulative impacts associated with citywide growth would be less than significant. The project would not result in a considerable contribution to cumulative seismic, geologic, or soil impacts.

### **Hazards and Hazardous Materials**

1993 Project EIR (§§ VI. I. Hazardous Materials/Waste, H. Risk of Upset, and Appendix A – Fire Hazard and other hazards issues) and EIR Addenda. The EIR analysis identified potentially significant impacts associated with hazardous materials use, contaminated soils, and risk of upset potential from railroad proximity, all mitigated to less than significant levels (Class 2). Fire hazard was identified as a less than significant impact (Class 3).

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. Project-supported roadway circulation improvements were completed in 1995-96. Soil remediation was completed on the hotel site and within the paved parking area on the parking lot site in 2008. The City Fire Code was updated in 2014.

Hazards Impact Analysis of Current Project. There is no substantial change to the EIR assessment of project impacts pertaining to hazardous materials, contaminated soils, emergency response, risk of upset, and fire hazard, and no new mitigation is required. The impact classifications for hazardous materials impacts are reduced for the current project going forward, reflective of prior identified mitigation already implemented and identified mitigation addressed by current regulations.

- Hazardous Materials Impacts. Proposed hotel operations would use small amounts of typical household/commercial products containing hazardous materials for cleaning, landscaping, pool maintenance, vehicle/equipment fuels, etc. Such materials would be subject to regulations for proper storage, application, transportation, and disposal. Project impacts would be *less than significant (Class 3)*. The prior EIR identified mitigation measures requiring a hazardous materials management plan, hazardous

materials inventory statement, and hazardous materials business plan for hotel operations if stored hazardous materials exceeded threshold amounts prescribed by government regulations.

- Contaminated Soil Impacts. Past soil contamination was remediated on the project sites to standards safe for hotel and parking uses per State regulations and the Santa Barbara County Site Mitigation Unit (SMU)/Leaking Underground Fuel Tank (LUFT) Program. Impacts of the current project going forward would be *less than significant (Class 3)*. On the parking lot site, additional remediation is required in the area of the habitat restoration (El Estero drain), and a permit is pending for the parking lot site to complete soil remediation within this area. County approval of the remediation stipulates that deed restrictions be recorded on the hotel property providing notification of residual contamination levels and locations.
- Emergency Evacuation and Response. The City has response plans for emergencies (e.g., natural disasters, technological events, security incidents). Response providers (Police and Fire Departments, health care facilities, etc.) also have plans, procedures, resources, and staffing in place for response to day-to-day emergency incidents. The project sites are located about one-half mile from City Fire Station 2. Major roadway improvements installed with project funding support improved area access and circulation, including for emergency evacuation and response. The hotel site development includes installation of an emergency access road that will allow emergency vehicles to access the hotel property and the City park from Calle Cesar Chavez. Hotels have regulatory requirements to post emergency procedures. Project impacts associated with emergency response would be *less than significant (Class 3)*. EIR mitigations as part of the railroad risk of upset section below would also provide upgraded emergency preparedness.
- Risk of Upset/Railroad Impacts. The rail line directly north of the hotel parcel carries daily passenger and freight trains that pass close to the project location. The EIR analysis (using scales of 1 to 5) rated the likelihood of a derailment or collision in this location at 2 (remote, due to parallel tracks and slowing in approach to station), and rated potential severity of public or environmental damage at a 2 (minor) for derailment and 3 (serious but confined) for collision. This potentially significant impact was *reduced to a less than significant level (Class 2)* with application of several mitigation measures that would continue to apply to the current project: (1) special emergency response plan for derailment or hazardous materials spill; (2) hotel safety coordinator and posted safety procedures and evacuation routes; (3) fire sprinklering of buildings per Fire Code and Fire Chief with emphasis on areas that could be affected by train derailment; and (4) design of rear wall of fire lane for maximum resistance, and design of primary hotel structural support in central and southern portions of the site.
- Fire Hazard Impacts. The hotel project sites are located within an urban area, not within designated high fire areas, and with no wildland interface nearby. Existing fire codes and Fire Department resources and staff would adequately address this issue. Project fire hazard impacts would be *less than significant (Class 3)*. Mitigation measures listed above addressing risk of upset and measures for hazardous materials management and emergency response would also benefit fire hazard management. EIR mitigation measure for fire sprinklers and fire-resistant building materials are now code requirements.

In summary, impacts of the current hotel project associated with hazards and hazardous materials would remain less than significant. In the case of risk of upset due to railroad proximity, the impact would continue to be mitigated to a less than significant level. The project would not conflict with policies or regulations pertaining to hazards. Project EIR mitigations access/circulation improvements have already been implemented. Project EIR mitigations for soil remediation has been substantially completed, with some additional remediation required within the habitat restoration area. Earlier project EIR mitigations for hazardous materials business plans, emergency evacuation plans, and fire code building provisions are now regulatory requirements.

Cumulative Impacts. The 2011 General Plan Program EIR found that, with extensive regulations and policies in place that address potential project-specific effects pertaining to hazards and hazardous materials along with identified programmatic mitigations, cumulative hazard impacts associated with citywide growth would be less than significant. The project would be part of the incremental growth assumed in the analysis. Project impacts would not constitute a considerable contribution to cumulative hazard impacts.

## Noise

1993 Project EIR (\$VI.E Noise) and Addenda. The EIR identified significant short-term construction noise and vibration impacts associated with pile driving for hotel construction, with foundation design/construction technique measures applied to partially mitigate (Class 1). Short-term construction noise effects on surrounding uses would be mitigated to less than significant levels with standard equipment requirements and limitations to construction hours (Class 2). Long-term ambient noise effects to interior noise levels for hotel guests would be mitigated with requirements for window and ventilation design, and a barrier wall on the northern property boundary (Class 2). Long-term noise impacts from hotel rooftop mechanical equipment affecting hotel and park users would be mitigated with equipment design and placement, and noise attenuation measures (Class 2). Exterior noise effects to hotel users from background noise levels and from periodic louder noise from railroad, park events, etc., were identified as adverse but not significant (Class 3), with recommended measures identified for public address system use limitations and railroad track maintenance.

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. The current City master environmental assessment (MEA) noise map (updated 2007) continues to identify average ambient noise levels at the hotel sites between 60 and 70 decibels (dBA) using the Day-Night Noise Level scale (Ldn), with noise largely due to vehicle traffic from nearby roadways. Current updated California and City Building Code requirements require that interior average noise levels for hotel rooms be 45 dBA Ldn or lower. Technological advances have reduced the noise levels of most commercial equipment such as the planned hotel roof-mounted equipment. Much of the project site preparation and grading activities on the hotel and parking lot parcels have already been completed.

Noise Impact Analysis of Current Project. There is no substantial change to the project EIR noise impact evaluation, and no new mitigations are required.

### Long-Term Noise Impacts (Project Operations)

- Interior Noise Impacts. The project could provide guest rooms meeting interior noise standards through compliance with code regulations and application of EIR mitigation measures: (1) mechanical ventilation that allows closing of windows, and (2) a noise barrier wall along the northern lot line. Potentially significant interior noise impacts would be *mitigated to a less than significant level (Class 2)*.
- Exterior Noise Impacts. The hotel location would have average ambient outdoor noise levels of 70 dBA Ldn or less, the level identified in the General Plan and Local Coastal Plan (LCP) as acceptable for hotel use. Impacts pertaining to exterior noise impacts would be *less than significant (Class 3)*. The barrier wall mitigation identified above would further reduce noise levels, benefiting outdoor activities. Periodic louder noise effects to hotel users from nearby land uses (e.g., railroad, park public address system, industrial uses) would be adverse but *less than significant (Class 3)*.
- Project Contribution to Ambient Noise. The long-term use of the hotel and parking lot operations would contribute a slight amount of noise to the area similar to that of surrounding uses and would not substantially raise background noise levels of the area. Potential noise impacts to park and hotel users from hotel rooftop mechanical equipment would be mitigated to a *less than significant level (Class 2)* through equipment design, placement, and shielding.

### Short-Term Noise and Vibration Impacts (Project Construction)

- Pile Driving. Temporary noise and vibration associated with pile driving for hotel construction could have a significant effect to nearby land uses, such as the nearby park and hotel. Identified mitigation to use alternative foundation design or construction techniques with lower noise levels if technically feasible, and to conduct test drilling and incorporate strategies to address vibration effects at nearby buildings, could partially reduce impacts, but short-term noise and vibration impacts remain *significant and unavoidable (Class 1)*.
- Earthwork and Construction. Most of the site grading has been completed, and additional site preparation/grading would mainly involve building foundation and footings. The project grading and

construction processes, estimated at 1½-2 years in duration, would create temporary, intermittent loud noise that could affect surrounding park and hotel uses, a potentially significant impact. With identified mitigation measures to apply standard equipment mufflers/maintenance, and limitations to construction hours, short-term construction noise effects would be *mitigated to less than significant levels (Class 2)*.

In summary, most short-term construction-related noise impacts would be mitigated to less than significant levels. However, if the project proceeds with a foundation supported by piles, significant short-term ground borne noise/vibration impacts from pile installation could result. Long-term noise would be less than significant relative to the effects of ambient noise on exterior activities, and would be mitigated to less than significant levels for interior noise levels and project mechanical equipment noise. The project would not conflict with noise policies and ordinance provisions.

*Cumulative Impacts.* The General Plan EIR (2011) found that with compliance of individual projects to current noise policies and regulations, and identified programmatic mitigation, cumulative noise impacts associated with citywide growth would be less than significant, including highway-generated noise from increasing traffic. The project would be part of the growth assumed in the EIR analysis, and the project would result in additional daily vehicle trips from guests and employees. However, added traffic trips would be incremental and not a considerable contribution to cumulative highway noise impacts.

#### **Population and Housing/ Growth-Inducing Impact**

*1993 Project EIR (§X. Growth Inducement, Appendix A) and Addenda.* The analysis identified that the hotel project would generate temporary construction jobs and long-term hotel employment growth with associated housing demand. Hotel employment of 281 full- and part-time positions was analyzed for likely recruitment locally and from outside the area, based on local experience of the DoubleTree and Biltmore hotels. The analysis estimated that 30 low- or moderate-income employees would be expected to be recruited as permanent employees from outside the area, for an additional estimated housing demand of 22 affordable housing units. Housing effects were addressed by housing ordinance provisions for an in-lieu affordable housing fee as a condition of project approval.

*Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations.* The City housing mitigation ordinance was repealed in 1995 and conditions on approved projects requiring affordable housing construction or in-lieu fees were eliminated, including for this project. City Council found at that time that, with growth controls and housing programs in place, the anticipated level of non-residential development would not create a significant impact on the Santa Barbara South Coast housing market that would necessitate the ordinance program. They also found the mitigation ordinance approach to be ineffective and outdated, and that programmatic and policy approaches were more effective. Housing development constructed within the City (including both subsidized and market built units, and for-sale and rental units within a range of prices) is estimated at 622 units in the period of 1992-1999, 722 units in the period of 2000-2007, and 592 units in the period of 2008-2014. A total of 2,341 affordable (very low- to low-income) rental units were either constructed or acquired through redevelopment funds and approximately 465 affordable (very low- to upper-middle-income) ownership units were constructed in the period of 1992-2007 (Source: Planning Division growth management tracking).

*Housing/Growth-Inducing Impact Analysis of Current Project.* There is no substantial change to the project EIR analysis of housing effects, however the impact classification is reduced consistent with current City circumstances, policies, and programs. In 2012, as part of ordinance amendments for implementation of the City's growth management program, City Council eliminated project-specific housing findings, with consideration of evidence of development circumstances and trends (including local trends towards mixed-use development and limits on nonresidential development), and City policies in place to support workforce, rental and affordable housing.

The hotel project would generate short-term construction jobs and long-term hotel employment, as estimated in the project EIR. Hotel staffs include some low salary employees which can contribute to increased affordable

housing needs. Project employees would be expected to reside within a range of areas, including in the City, on the South Coast, and within the larger region. The project would not involve substantial employment growth that would substantially increase population or housing demand beyond planned levels, a *less than significant impact* (Class 3), and no mitigation is required. The project would not conflict with City growth or housing policies.

*Cumulative Impacts.* Many factors outside of City land use and housing policies contribute to the overall jobs/housing balance (e.g., larger economic forces, property values/housing costs, employee retirements/replacements, individual choices for where to reside, etc.). A portion of individuals employed within the City reside outside of the City. The 2011 General Plan Program EIR identified that, taken together, the small increment of new growth anticipated within the City in the coming decades would likely balance jobs and housing and would not have a significant cumulative effect to worsen the jobs/housing balance. This assessment is supported by Plan policies limiting non-residential development and supporting affordable and workforce housing development. The project would be within growth assumptions for the citywide General Plan analysis. Hotel employment would incrementally contribute to jobs and housing demand, but would not represent a considerable contribution to a cumulative effect worsening the jobs/housing balance.

### **Public Services and Utilities**

*1993 Project EIR (Appendix A §§13 –Water and 9 Public Services) and Addenda.* The analysis found that project effects associated with water supply, sewage collection/disposal, storm water drainage, solid waste collection/disposal, fire protection, police protection, and schools would be less than significant (Class 3).

*Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations.* Since the EIR analysis, regulations and programs have been adopted toward reducing water consumption and reducing solid waste landfill disposal. Curbside recycling pick-up is in place and the City has an adopted ordinance requiring recycling of construction waste. An updated Long-Term Water Supply Plan was adopted in 2012. Water demand factors for estimating project water use were updated in 2009. Temporary drought management water conservation regulations are presently in place. The City Storm Water Management Program (SWMP) was adopted in 2006, and an implementing ordinance was adopted in 2013. Santa Barbara County solid waste impact significance thresholds used by the City were adopted in 1993.

*Public Services and Utilities Impact Analysis of Current Project.* All City services and utilities are available to the project sites. There is no substantial change to the EIR analysis of project impacts on services and utilities, and no new mitigation measures are required.

- Water. The project total water use is estimated to be 30 acre-feet per year based on updated demand factors. The site location is near reclaimed water lines, and it is expected that some or all of project landscaping water would feasibly use reclaimed water in accordance with State Water Code and City ordinance provisions, which would lower the estimated annual potable water consumption. The project would be subject to water-conserving requirements of the building code (e.g., low-flow fixtures) and ordinance landscape design standards for water conservation (e.g., low water use irrigation system, drought-tolerant landscaping).

The City is experiencing a multi-year regional drought and has measures in place per adopted drought management plans for securing additional supplies and citywide water use regulations and rates to conserve water. The project building, operations, and landscaping would be required to comply with applicable City water-conserving regulations.

The 2011 City General Plan Program EIR and Long-Term Water Supply Plan evaluated water resource needs and diverse sources for supporting existing development and a small increment of growth, with recognition of periodic drought conditions. At the time the Program EIR was prepared, the 150-room hotel and parking lot project was included as an approved/pending project analyzed as part of anticipated growth. The Program EIR analysis determined that there would be adequate long-term water supply and

distribution/treatment facilities to support planned citywide growth. Project water use would represent a *less than significant impact (Class 3)* on water supply and facilities.

- **Wastewater.** Project wastewater generation is estimated to be 28 acre-feet/year. The project is part of estimated growth analyzed in the 2011 General Plan Program EIR, which concluded adequate wastewater collection and treatment capacity and facilities for planned citywide growth. The project impact on wastewater facilities would be *less than significant (Class 3)*.
- **Storm Water.** The 1993 EIR concluded that there would not be significant increases in runoff or substantial impacts to existing public drainage systems based on hydrological and hydraulic reports. The parking lot parcel would drain to a detention basin and then the El Estero drain, as addressed in the EIR addendum of 2007. Additional storm drainage lines and drop inlets were installed in conjunction with the park expansion project and Calle Cesar Chavez improvements, with sizing and location anticipating the hotel development. The project would have a *less than significant impact (Class 3)* on storm water facilities.
- **Solid Waste.** Short-term construction-generated waste is estimated to be 1,738 tons, with 80% anticipated to be recycled (1,389.5 tons) consistent with City ordinance requirements, for a residual 348 tons for landfill disposal, which is less than the impact significance guideline of 350 tons. Long-term solid waste generation is estimated at 120 tons/year, and with curbside recycling in place, it is anticipated that at least 50% would be recycled, leaving a residual of 60 tons/year for landfill disposal, which is less than the significance guideline of 196 tons/year. The project solid waste impact would be *less than significant impact (Class 3)*.
- **Other Facilities and Services (Police, Fire, Schools, Utilities).** The project site is within City jurisdiction for police and fire protection services and the project can be served with existing resources and staffing. Schools within the Santa Barbara Unified School District are not designated as overcrowded and could accommodate additional students associated with project employees. It is expected that project employees would reside in various areas and their children would attend a variety of schools within the City and surrounding region. The project sites could be served by electric, natural gas, and communications utilities. Project impacts associated with these public facilities and services would be *less than significant (Class 3)*.

In summary, all services would be available for the project, and the project would have less than significant impacts on services and facilities, including for water, wastewater, storm water, solid waste, police, fire protection, schools, and gas, electric, and communications utilities. The project would not conflict with public services policies or regulations.

*Cumulative Impacts.* Cumulative water, public services, and utility impacts associated with citywide growth were found to be less than significant in the 2011 General Plan Program EIR with compliance with policies and regulations for individual projects, and identified City programmatic mitigation. Facilities, service levels, staffing, and other resources are provided through ongoing planning and budget processes of the City, districts, and service providers. The project would be constructed and operated consistent with current regulations for water use and conservation, energy conservation, recycling and waste management, school fees, etc., which would reduce project effects. The project would not result in a considerable contribution to public services and utility impacts.

### **Recreation**

*1993 Project EIR (§VI J Recreation) and Addenda.* The EIR identified that recreational demand generated by the hotel and youth hostel projects would constitute a less than significant impact (Class 3) and would also be offset by the Chase Palm Park expansion project required by the Specific Plan. The three projects would have a beneficial effect to recreation facilities and support facilities.

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. Since the EIR analysis, the hotel project applicant donated five acres for the Chase Palm Park expansion project (completed in 1996), and provides park maintenance fees of \$62,500 annually to the City.

Recreation Impact Analysis of Current Project. There is no substantial change to the EIR project recreation impact analysis, and no further mitigation is required.

- **Recreational Demand.** The hotel project provides added lodging capacity and parking for recreational visitors. No on-site recreational facilities are proposed as part of the project. It is estimated that the hotel and youth hostel projects would generate a 15% increase in area recreational demand (45 additional daily visitors to Waterfront area parks), a *less than significant impact (Class 3)*. The Chase Palm Park expansion project supported by the hotel project and ongoing park maintenance fees offset this impact.
- **Recreational Facilities.** The hotel project would not result in loss of or interference with the adjacent park. The current condition of the park near the hotel lot line is somewhat degraded, and this transition area is proposed to be re-landscaped as part of the hotel project development. The Park project and re-landscaping would constitute a *beneficial effect (Class 4)*.

In summary, the project parkland contribution and park maintenance fees, and proposed adjacent (transition area) park landscape improvements offset the project's less than significant impact associated with increasing recreational demand, and results in benefits for recreational facilities and uses.

Cumulative Impacts. Cumulative recreational impacts associated with citywide growth were found to be less than significant in the General Plan EIR (2011). The project would have an incremental effect on recreational demand that would not constitute a considerable contribution to cumulative impacts. By dedicating five acres to the Chase Palm Park expansion, providing an annual maintenance fee, re-landscaping the hotel/park transition area, and providing additional lodging and parking for recreational visitors, the project would benefit recreation resources.

### **Transportation and Circulation**

1993 Project EIR (§VI.A Traffic & Circulation) and Addenda. The EIR analysis identified intersections near Highway 101 that were congested during peak hours: the Milpas southbound off- and on-ramps, the Milpas on-ramp at Carpinteria Street, and the Cabrillo Boulevard ramps near Hot Springs Road. The hotel project trip generation was identified as 1,296 average daily trips (ADT) and 108 peak hour trips (PHT) based on Institute of Traffic Engineers (ITE) hotel trip generation rates. When distributed, project-specific peak-hour traffic impacts were determined to be less than significant. Potentially significant cumulative impacts were identified at the Highway 101/ Hot Springs ramps during peak hours. Potentially significant project effects associated with site access and circulation and cumulative traffic were identified. Project mitigation measures were applied, including roadway and pedestrian circulation improvements, funding of a traffic signal at the Highway 101/Hot Springs intersection, transportation demand management measures, and a parking agreement, which together reduced project impacts to less than significant levels for circulation and access (Class 2) and to less than significant level for cumulative traffic impacts. Short-Term construction-related traffic effects were identified as potentially significant but mitigated to less than significant levels with identified mitigation measures for construction routing, queuing, and parking plans (Class 2). Transit stops and bicycle lanes were determined adequate to serve the project (Class 3 impact).

Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations. Since certification of the EIR, the transportation setting around the project sites has changed in ways that have improved circulation. A new travel lane was constructed on US Highway 101 between Milpas Street and San Ysidro Road, which created a twelve-mile segment on Highway 101, from Fairview Avenue to San Ysidro Road, with three travel lanes each way. Other US Highway 101 improvements included reconfiguring the Milpas Street on-/off-ramps, closing the northbound Hot Springs Road off-ramp, and adding a roundabout at Hot Springs Road and Coast Village Road.

Project circulation improvements have been installed, including Calle Cesar Chavez and Garden Street extensions to the Waterfront; roadway and pedestrian improvements to Calle Cesar Chavez, Garden Street and Cabrillo Boulevard; and project funding toward a traffic signal improvement at Highway 101 / Hot Springs ramps, which was ultimately installed as a roundabout rather than signal.

Traffic conditions in the City have varied over time. Updated citywide traffic counts and traffic model analysis were conducted for the 2011 General Plan update, identifying 27 intersections that were either impacted or could become impacted by 2030 with anticipated growth. Council findings deemed the citywide significant cumulative traffic effects to be acceptable due to overriding considerations of General Plan benefits.

The Growth Management Program ordinance and Traffic Management Strategy were adopted in 2013. The City traffic impact significance threshold for project-specific impacts was updated in 2014. The State CEQA Guidelines were amended to delete vehicle parking as a CEQA environmental impact issue.

Transportation and Circulation Impact Analysis of Current Project. A traffic analysis of the current project was conducted, which demonstrated that impacts of the project going forward would be less than the impacts identified in the project EIR.

- Short-Term Construction-Related Traffic Impacts. The estimated construction period of the project is approximately 24 months and the number of workers would vary among different stages of construction. With most site preparation and grading completed and the hotel no longer proposing below grade parking, the amount of construction traffic arriving and departing during the workday would be reduced to employee commutes, material and equipment deliveries, and periodic hauling of construction waste. Remaining earthwork activities for the hotel parcel would be approximately one month in duration, and approximately one week for the parking lot parcel. During that period, there would be a small number of workers (15 to 20) limited to equipment operators and support personnel. With consideration of traffic levels in the area and the duration of the grading and construction process, temporary construction-related traffic would represent an adverse but *less than significant impact (Class 3)*.
- Long-Term Traffic Impacts. The following analysis uses trip generation rates from the City travel demand model. The proposed hotel and parking lot site is in Model Area 2, which represents a portion of the Downtown grid. Land use trip-making characteristics in this Model Area are lower than in the outlying areas of the City, and lower than the generalized rates identified in the ITE manual and used in the project EIR. The project's morning (AM) Peak Hour Trip (PHT) generation rate is 0.14 trips per 1,000 (gross) square feet of hotel building area and the afternoon (PM) PHT rate is 0.19 trips per 1,000 square feet. The 142,000 square foot hotel project would generate estimated net traffic increases of 293 average daily trips (ADT) and 19 AM and 26 PM PHT. When distributed to the surrounding street system, these trips added to the City grid would not use one percent or more of the intersection capacity at any of the 27 intersections identified as either currently impacted during peak travel times or potentially impacted by the year 2030. Therefore, the project-specific traffic impact would be *less than significant (Class 3)*.
- Circulation and Safety Hazard Impacts. The project had the potential to significantly affect vehicle access and circulation in the area, as well as pedestrian circulation. Identified roadway and pedestrian improvements that bettered access and circulation in the area have been installed, thereby mitigating the potential project impacts. The current project impacts going forward would be *less than significant (Class 3)*.
- Bicycle, Pedestrian, and Transit Impacts. Both Cabrillo Boulevard and Calle Cesar Chavez Street have bicycle lanes parallel to the project's street frontage. There is existing sidewalk and parkway along the project frontage, which was constructed in 1995 as part of the original Development Agreement, and will continue to serve the area's pedestrian needs. Existing Metropolitan Transit District (MTD) and Downtown shuttle service and bus stops in the area are adequate to serve the project. Project impacts associated with pedestrian, bicycle, and public transit facilities would be *less than significant (Class 3)*.

*Cumulative Impacts.* Citywide vehicle traffic counts and traffic model analysis were conducted for the 2011 General Plan, identifying 13 intersections that were already impacted during peak hours and up to 14 additional intersections that could become impacted by 2030 with anticipated growth, a significant cumulative traffic impact. Anticipated impacts are lessened by City policies and programs supporting growth limits; focused mixed-use development; multiple modes of transportation; roadway improvements; and programs to reduce trip generation. The hotel project traffic would be part of the assumed citywide growth and would contribute to the cumulative traffic effects identified in the Program EIR. City Council adoption of the 2011 General Plan included a statement of overriding considerations finding that the benefits of the General Plan outweighed the significant cumulative traffic impacts, deeming the impacts acceptable. These Council findings are applicable for the current project.

### **Water Quality and Hydrology**

*1993 Project EIR Appendix A and Addenda.* The project EIR and addenda identified hotel and parking lot development impacts associated with water quality and tsunami as less than significant (Class 3). Potential drainage and flooding effects were evaluated with hydrologic and hydraulic studies. With project components addressing drainage and flooding potential, potential project impacts were identified as mitigated to less than significant levels (Class 2).

*Changes to Project, Environmental Conditions, Evaluation Criteria, and Regulations.* Since the project EIR analysis, additional storm drainage lines and drop inlets were installed in conjunction with the Chase Palm Park expansion project and Calle Cesar Chavez improvements, with sizing and location anticipating the hotel development. Reclaimed water will be available in the area for landscaping. State and City Storm Water Management Program (SWMP) policies have been adopted with provisions toward reducing storm water runoff and improving water quality. The City Creeks Division also implements water quality programs. Potential future effects on projects from sea level rise induced by climate change is now evaluated as part of impact analysis.

*Water Quality and Hydrology Impact Analysis of Current Project.* There is no substantial change to project water quality and hydrology impacts identified in the EIR, and current regulatory requirements would provide for further reduction in potential storm water-related effects.

- **Groundwater Impacts.** The project involves no wells, septic systems, or other devices that could affect groundwater quantity or quality. Soil remediation of the hotel site and a portion of the parking lot site was completed consistent with State and local regulations. Additional remediation in the area of the restoration is still required on the parking lot site, consistent with State and local regulations. It is likely that reclaimed water would be used for project landscaping, which would not pose a risk to groundwater due to the treatment it receives at the El Estero Wastewater Treatment Plant. Impacts to ground water quantity or quality would be *less than significant (Class 3)*.
- **Drainage, Storm Water Runoff, Flooding Impacts.** A hydraulic report dated November 12, 2004 prepared by MAC Design Associates indicates that the peak runoff flow rate has been accounted for in the design of the project. The current project proposal includes a detention basin to handle the increased runoff from the parking lot, and the basin treats the runoff to reduce pollutants from entering the El Estero drain. The hotel site is not located in a mapped Federal Emergency Management Agency (FEMA) flood hazard zone (it is higher than the elevation of the 0.2-percent-annual-chance flood) or an area prone to regular flooding, and the project would not substantially alter the course or flow of floodwaters. The parking lot parcel is located partially within a 100-year floodplain (Zone A) and that portion of the lot would not be developed, because it is a long, narrow portion of the lot that is mainly occupied by the El Estero Drain and this area will be restored as part of the project. Project hydrology and water quality impacts would be *less than significant (Class 3)*.
- **Impacts to Creeks.** The Chase Palm Park expansion project included a restoration plan for the Laguna Channel drainage area and wetland near the hotel. The hotel parcel is not located adjacent to a creek or

other watercourse, and would not alter or impact a creek with erosion, siltation, flooding, or degradation of water quality or biological resources. The project description for the parking lot includes a buffer of approximately twenty-five feet from top-of-bank and habitat restoration of the El Estero Drain, including trash and non-native plant removal, and planting of native vegetation. Compliance with storm water management regulations on the parking lot site would address project water quantity and quality of storm run-off. Impacts to creek water resources from the current hotel project would be *less than significant (Class 3)*.

- **Tsunami Impacts.** The hotel site is located approximately 400 feet from the coastline at an elevation of 10–12 feet above sea level, and is within a designated tsunami hazard zone. The risk of a tsunami is identified as infrequent (Source: Griggs and Russell, 2012). With existing emergency procedures in place (evacuation signage, public information plans), tsunami risk is considered *less than significant (Class 3)*.
- **Sea Level Rise Impacts.** The current median high water line for Santa Barbara is approximately 53 inches above sea level. The most recent available data indicates that during the estimated 75-year or greater life expectancy of the proposed hotel project, a rise in sea level would range from a minimum of 17 inches to a maximum of 66 inches (National Resource Council 2012 & State Ocean Protection Council 2013 Sea Level Rise Projections for Year 2100). The proposed finished floor elevation of the hotel project is approximately 12'-6" above sea level, approximately 2'-7" above the highest estimated projection of sea level rise, potentially occurring at the end of the project's economic life. The site could be affected periodically by increasing storm surge events. Impacts from sea level rise would be *less than significant (Class 3)*.

Cumulative Impacts. The 2011 General Plan program EIR found cumulative water quality and hydrology impacts associated with citywide to be less than significant with programmatic mitigations identified in the EIR and application of project-specific regulations (e.g., storm water management). Project effects on water quality and hydrology would be incremental, and would not result in a considerable contribution to cumulative water quality or hydrology impacts. The Program EIR analysis identified a potentially significant future citywide effect from climate change-induced sea level rise, to be addressed through identified future City adaptive management programs.

## CEQA FINDING AND DETERMINATION

Based on the Initial Study dated December 14, 2015 and the above Addendum review of the current project, and in accordance with State CEQA Guidelines Section 15162, no subsequent Negative Declaration or Environmental Impact Report is required for the current project, because new information and changes in environmental circumstances and criteria, project description, impacts, and mitigations are not substantial and do not involve new significant impacts or a substantial increase in the severity of impacts identified previously in the project EIR and prior EIR addenda.

In accordance with Guidelines Section 15164, an Addendum to the certified project EIR is the appropriate CEQA environmental document to identify and document minor changes to the prior EIR analysis to make the EIR adequate for the current project. This EIR Addendum identifies the current project and minor changes to the project impact analysis. Short-term construction-related noise is identified as a significant impact. Project-related traffic generation would constitute a considerable contribution to significant cumulative traffic impacts. Other environmental impacts of the project would be less than significant or mitigated to less than significant levels with application of identified mitigation measures. This addendum, together with the project Environmental Impact Report (SCH#92091038) and prior EIR addenda, constitutes adequate environmental documentation in compliance with CEQA for the current project.

Prepared by: Allison De Busk Date: 1-14-16  
Allison De Busk, Project Planner

Reviewed by: Renee Brooke Date: 1/27/16  
Renee Brooke, City Planner

Exhibit A - Project Site Plan and Elevation

# Fess Parker's Waterfront Hotel

433 East Cabrillo Blvd., Santa Barbara, CA

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Contact: John Mayberry

## VOLUME 1: CIVIL, ARCHITECTURE, LIGHTING, INTERIORS, AND STRUCTURAL DOCUMENTS



AUGUST 8, 2007  
ISSUED FOR BID

**FESS PARKER'S  
WATERFRONT  
HOTEL**

413 EAST CARRILLO BLVD.  
SANTA BARBARA, CA

2008 Building  
2008 Site  
2008 Mechanical  
2008 Electrical  
2008 Plumbing



NO.	REVISION	DATE
1	ISSUE FOR PERMITTING	08/15/08
2	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
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88	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
89	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
90	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
91	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
92	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
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97	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
98	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
99	FOR CONSTRUCTION (SEE PERMIT)	08/15/08
100	FOR CONSTRUCTION (SEE PERMIT)	08/15/08



**FESS PARKER'S  
WATERFRONT  
HOTEL**

PROJECT NO. 08-001  
DATE: 08/15/08  
SCALE: AS SHOWN  
SHEET REFERENCE PLAN

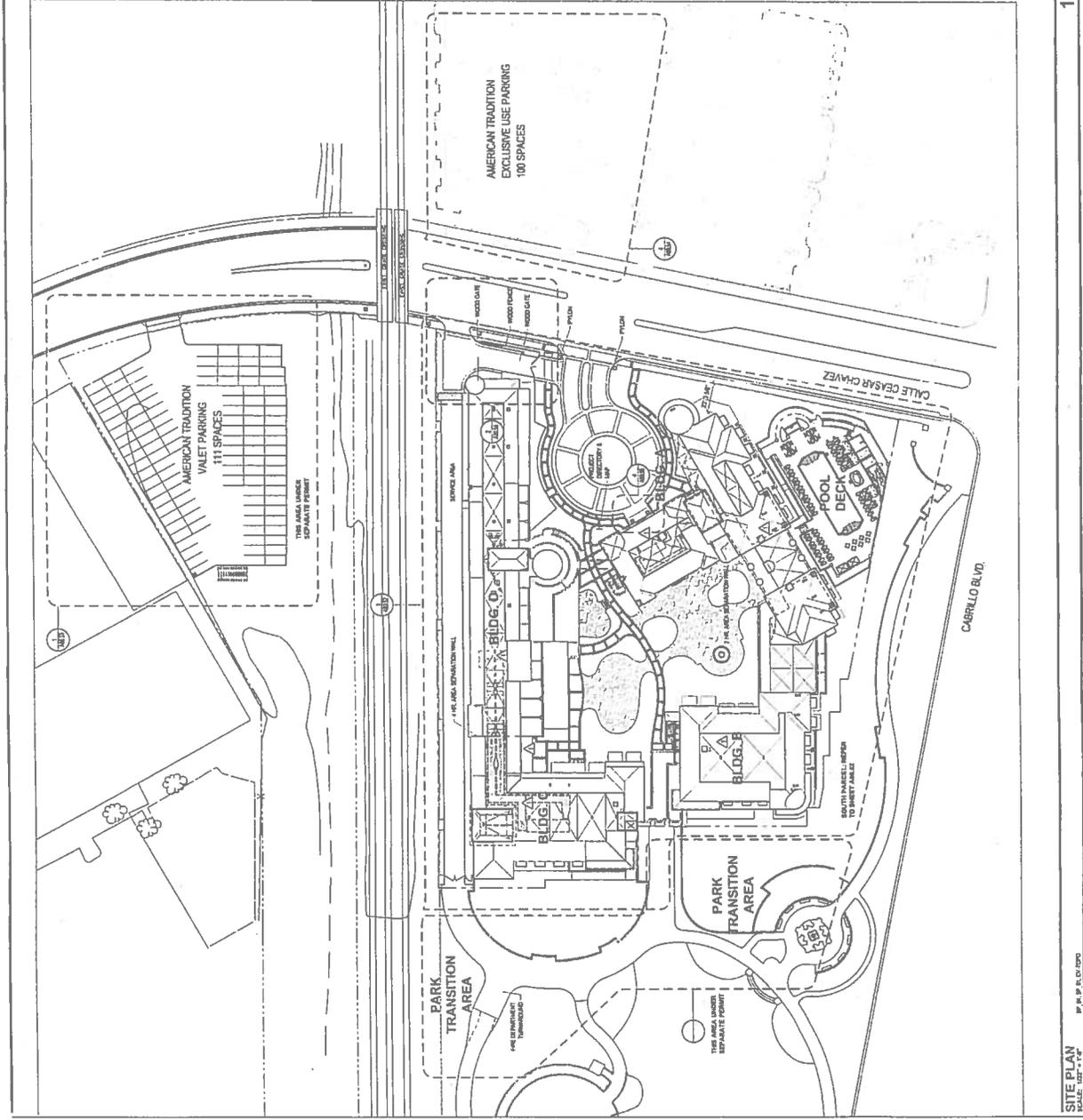


**A00.51**

**KEY NOTES**

**SHEET NOTES**

**KEY PLAN**



**SITE PLAN**  
SCALE: 1/8"=1'-0"



31 March 2016

The Honorable Mayor Helene Schneider  
& Members of City Council  
735 Anacapa Street  
Santa Barbara, CA 93101

Subject: Parker Waterfront Hotel  
Development Agreement

Dear Mayor Schneider and Members of Council:

The Parker Waterfront Hotel Development Agreement returns to Council on April 19<sup>th</sup>. When the Parker Family last came to Council to provide a status update on the Waterfront Hotel project and to seek guidance on a new Development Agreement, your Council was in support of the basic structure of the proposed Development Agreement, and expressed interest in seeing a hotel project on the subject property move forward sooner rather than later. Based on the Council's recommendation and support for the Development Agreement, the Parker Family moved forward with City staff to prepare the Development Agreement that will be presented to you on April 19<sup>th</sup>.

Since the Council hearing, a project team has been assembled, a concept plan for a revised hotel has been developed and refined, financing options have been explored (and look favorable), and we have been working closely with City staff and the City Attorney's office on the terms of a new Development Agreement. A draft of the Development Agreement went before Planning Commission on January 7<sup>th</sup> and on March 10<sup>th</sup>. The version before you now has been revised to reflect the Planning Commission's comments and with these revisions, the Planning Commission has recommended that Council approve the Development Agreement.

We were pleased to obtain the Planning Commission's recommendation that Council approve the Development Agreement, however, we prefer that certain provisions ultimately deleted as part of the Planning Commission's recommendation be retained in the agreement and we ask that you reconsider these provisions as explained below.

During their deliberations, Planning Commissioners engaged in a lengthy discussion about the section of the Development Agreement having to do with a potential future transfer of existing development rights to The Fess Parker Hotel across the street from the project site. Ultimately their motion included striking these provisions (Section 11.1 of the version reviewed by the Planning Commission). Having listened to their deliberations, we understand that the primary concern regarding this section of the agreement was the potential for someone to misinterpret the section as an endorsement or a preference for a transfer of development rights from the waterfront hotel property to The Fess Parker over other possible sites in the City.

The Parkers have not proposed, nor are they asking for, an endorsement or "pre-approval" from the City for any future transfer of development rights to The Fess Parker. There are no current plans to transfer rooms to any site as the Parkers are focused on the Waterfront Hotel project. The purpose of the language in the Development Agreement related to The Fess Parker is to acknowledge and give appropriate credit for the significant public improvements, land dedications and fees that have already been received by the City for the approved 150-room Waterfront Hotel, and to allow the City and the Parker Family to use, as applicable, reports, environmental documents, and studies that have been prepared for the Waterfront Hotel property. Unlike most development projects, the Parker Family provided nearly all of the public benefits, fees and mitigation measures related to the 150-room Waterfront Hotel up front. The City and the public have enjoyed the benefits of these improvements (such as Chase Palm Park, and the traffic and circulation improvements along Calle Cesar Chavez and Cabrillo Blvd) for many years even though the Waterfront Hotel has not yet been built. We believe, and we hope you agree, that the Parker Family should receive some amount of "credit" for the fees, dedications, and public improvements given for the 150-room hotel if some of these approved rooms were ever constructed across the street at The Fess Parker. Given the close proximity of the two sites and their relationship to one another vis-à-vis the Park Plaza Specific Plan #1, retaining these provisions in the Development Agreement is reasonable and equitable.

Attached for your review and consideration is our proposed revision to Section 11.1 of the Development Agreement recommended by the Planning Commission (see new Sections 11.1.3 and 11.1.4 in blue font in Attachment 1).

Finally, the Planning Commission also recommended minor edits to language in the Development Agreement and while we feel these are unnecessary, we accept the edits.

We truly look forward to coming before Council on April 19<sup>th</sup> and thank you in advance for considering the foregoing request. Moving forward with a beautifully designed hotel on this last piece of undeveloped land along the City's waterfront will fulfill the vision set forth by the City and the Parker family more than 20 years ago.

Sincerely,  
**SUZANNE ELLEDGE**  
**PLANNING & PERMITTING SERVICES, INC.**



Suzanne Elledge  
Principal Planner

cc: Allison DeBusk  
Scott Vincent

11.1 Process for Transfer of Existing Development Rights. If the Parker Family submits an application to the City to transfer any Approved Hotel Rooms or Approved Non-room Square Footage from the Hotel Parcel to another parcel, the following terms and conditions shall apply:

1. The Parker Family's transferable development rights in the Approved Hotel Rooms shall be available for transfer on a "room for room" basis or measured by square feet of floor area, which for purposes of this Paragraph 11.1 is deemed to be 397 square feet per Approved Hotel Room.

2. The City hereby acknowledges and agrees that any transfer of Approved Rooms or Approved Non-room Square Footage from the Hotel Parcel does not require an allocation from the allowable square footage specified in subsection A of Section 28.85.010 of the Santa Barbara Municipal Code.

3. In its review of any application to transfer development rights from the Hotel Parcel to the Fess Parker Hotel Parcel, the City shall take into consideration and give appropriate credit to the Parker Family for those fees, dedications and public improvements made by the Parker Family in satisfaction of its obligations under Development Agreement No. 1, including without limitation its provision of lower-cost visitor accommodations through development of the Hostel, provision of parks and open space through the dedication of the Park Parcel and ongoing annual payments to the City of park maintenance fees, and the provision of traffic and circulation improvements through the payment of fees for the installation of the traffic signal at U.S. 101 / Cabrillo Boulevard and expansion of Calle Cesar Chavez.

4. Given the physical proximity of the Hotel Parcel to the Fess Parker Hotel Parcel and the similarity of uses at the properties, the City shall use, where appropriate, all applicable reports, environmental documents, studies and other documents prepared by or on behalf of the Parker Family for the development of the Hotel Parcel in its review of any proposed development on the Fess Parker Hotel Parcel resulting from a transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel. Notwithstanding the foregoing, the City may require additional information or studies with respect to any proposed development of the Fess Parker Hotel Parcel resulting from a transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel and any proposed transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel shall be considered a new development proposal on the Fess Parker Hotel Parcel and shall require a separate development plan application and the requisite environmental review and approvals from the City at such time as the Parker Family may request such transfer.

5. Except as otherwise expressly stated herein, any application for a transfer of Approved Rooms or Approved Non-room Square Footage from the Hotel Parcel shall be processed by the City in accordance with Existing City Laws (including, but not limited to, the City's Traffic Management Strategy and Chapters 28.85 and 28.95 of the Santa Barbara Municipal Code), the Amended Specific Plan and this Agreement.

11.2 Transfer of Existing Development Rights Under Future Regulations. Notwithstanding any provision herein, the Parker Family may elect, in its sole discretion, to process any request for a transfer of existing development rights from the Hotel Parcel in accordance with any City laws relating to the transfer of existing development rights in effect at

the time of such proposed transfer, including without limitation Chapter 28.95 of the Santa Barbara Municipal Code. If the Parker Family elects to process a transfer of existing development rights in accordance with future City regulations, as opposed to the provisions of the Existing City Laws and this Agreement, any such transfer shall be processed in accordance with the entire regulatory scheme of the future regulations relating to the transfer of existing development rights. The Parker Family cannot elect to use portions of the Existing City Laws and this Agreement relating to the transfer of existing development rights and portions of the future regulations relating to the transfer of existing development rights.

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

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING A DEVELOPMENT AGREEMENT FOR THE WATERFRONT HOTEL BY AND BETWEEN THE CITY OF SANTA BARBARA AND AMERICAN TRADITION, LLC

WHEREAS, Government Code Sections 65864-65869.5 authorize local agencies to enter into a binding Development Agreement (as such agreements are defined by Government Code §§65864-65869.5) with a property owner for the development of property in order to give assurances to the property owner and the City that, once approved under the applicable planning and zoning codes, a development project can proceed in accordance with existing land development policies, rules and regulations.

WHEREAS, Government Code Section 65869 specifically provides that a statutory development agreement need not be approved by the state Coastal Commission for any development project located in an area for which a local coastal program is required so long as the required local coastal program has been certified pursuant to the Coastal Act by the Coastal Commission prior to the date the development agreement is approved by the local agency.

WHEREAS, the City of Santa Barbara's Local Coastal Program was certified by the state Coastal Commission November 12, 1986 and has been duly amended from time to time since then.

WHEREAS, under the Santa Barbara City Charter, the City exercises control over municipal affairs, including the land development process, and has authority to enter into development agreements for purposes consistent with the public health, safety and general welfare.

WHEREAS, the recitals of the attached Development Agreement between the City of Santa Barbara and American Tradition, a California general partnership, hereinafter referred to as the "Parker Family," are a complete and accurate recitation of the review conducted for and consideration given the Project (as defined in the Development Agreement) and such recitals are incorporated herein by this reference as though fully set forth herein.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines with respect to the Project as follows:

- A. CEQA FINDINGS. The following environmental findings and determinations are made pursuant to and in accordance with the California Environmental Quality Act (Public Resources Code, Division 13):
  - 1. The City Council has reviewed and considered the Addendum, dated January 14, 2016, to the Certified Final Project Environmental Impact Report (EIR) SCH#92091038 along with the Certified EIR and earlier EIR Addenda of June 1995, November 1996, and August 2007, which together constitute environmental analysis for the current project under California Environmental Quality Act (CEQA) provisions; and
  - 2. The City Council finds that the EIR Addendum dated January 14, 2016 has been completed in compliance with CEQA and reflects the Council's independent judgment and analysis.
- B. DEVELOPMENT AGREEMENT FINDINGS. The following findings are made pursuant to and in accordance with City Council Resolution No. 89-120:
  - 1. The Development Agreement is consistent with the General Plan and Specific Plan, as well as the Local Coastal Plan and Zoning Ordinance. The Agreement allows continued development of the site with a project (hotel and parking) that is compatible with the vision of the Waterfront area described in the General Plan, is consistent with the visitor-serving uses allowed in the Specific Plan for Parcel B, is consistent with the Local Coastal Plan designation of Hotel-Related Commerce and is consistent with the Hotel & Related Commercial/ Park Plaza Specific Plan/ Coastal Overlay (HRC-2/SP-1/S-D-3) zoning designation. The Development Agreement is also consistent with policies of the General Plan related to circulation, safety and environmental resources, and Local Coastal Plan policies related to locating new development, visitor-serving commercial uses, recreation, shoreline access, hazards, water and marine environments, visual quality, cultural resources and public services. Additional information is provided in Section VIII of the December 21, 2015 Planning Commission Staff Report.
  - 2. The Development Agreement is in substantial conformance with public necessity, convenience, and general welfare and good zoning practices because it will provide additional time for the applicant to develop a hotel in this location, which City plans and policies identify as a desired land use for the site, or will allow the opportunity for a revised hotel to be considered by the City, taking into consideration the significant public improvements that have been made in furtherance of the goals of the Specific Plan and the prior Development Agreement, including the approved project permit conditions of approval, and;

3. The Development Agreement provides assurances to the developer of the right to develop a hotel in accordance with the terms of the Development Agreement and that adequate consideration is provided by the City that early completion of the public improvements, including the park and circulation improvements provided for more orderly and timely mitigation of traffic and air quality impacts.

## SECTION 2. DEVELOPMENT AGREEMENT

The City Council of the City of Santa Barbara hereby adopts the Development Agreement included as Exhibit A.

Exhibit A – Development Agreement

**RECORDING REQUESTED BY:**

**AND WHEN RECORDED RETURN TO:**

City Clerk  
City of Santa Barbara  
P.O. Box 1990  
Santa Barbara, CA 93102-1990

NO DOCUMENTARY TRANSFER TAX  
NO FEE PER GOVERNMENT CODE § 6103

APN:

**DEVELOPMENT AGREEMENT  
BY AND BETWEEN  
THE CITY OF SANTA BARBARA  
AND  
AMERICAN TRADITION, LLC**

**THIS DEVELOPMENT AGREEMENT** (the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2016, (the "Effective Date") by and between the **CITY OF SANTA BARBARA**, a political subdivision of the State of California (the "City") and **AMERICAN TRADITION, LLC**, a California limited liability company, (formerly American Tradition G.P., a California general partnership, the "Parker Family"), pursuant to the authority of Sections 65864- 65869.5 of the Government Code of the State of California and City Council Resolution No. 89-120. Except as otherwise defined herein, the capitalized terms used throughout this Agreement are defined in Paragraph 27, below.

RECITALS

A. WHEREAS, Fess E. Parker, Jr. and members of the Fess E. Parker, Jr. family (hereinafter referred to as "Fess Parker" or the "Parkers") acquired ownership of a large portion of the City's waterfront in the late 1970s, including approximately 33 acres of undeveloped waterfront property; and

B. WHEREAS, beginning in the late 1970s, the City and Fess Parker began working ~~collaboratively~~ to revitalize the waterfront area and the properties controlled by the Parkers along Cabrillo Boulevard. The City's and the Parkers' ~~shared vision plans~~ for the waterfront ~~included~~ came to include a conference center hotel, a waterfront public park, significant public open space, a hostel, and a waterfront hotel; and

C. WHEREAS, in July of 1981, the City Council adopted Specific Plan No. 1 Park Plaza (the “Park Plaza Specific Plan”) to govern the land use and development of a portion of this area; and

D. WHEREAS, in accordance with the Park Plaza Specific Plan, the Parkers constructed a 360-room hotel and conference center (“Fess Parker Hotel”) on what is referred to as Parcel A of the Park Plaza Specific Plan; and

E. WHEREAS, in conjunction with developing the Fess Parker Hotel, the Parkers constructed and donated to the City a public parking lot containing 17 parking spaces located on the west side of South Milpas Street between the railroad tracks and Calle Puerto Vallarta, and provided public open space in front of the Fess Parker Hotel and along Cabrillo Boulevard; and

F. WHEREAS, after the development of the Fess Parker Hotel, the City of Santa Barbara Redevelopment Agency (the “RDA”) and the Parkers agreed to jointly pursue a public/private partnership for development of a public park and a hotel on the remaining waterfront property owned by the Parker Family. This partnership contemplated the Parkers donating approximately five acres of their waterfront property (the “Park Parcel”) to the RDA for the RDA to complete development of a public park, and development by the Parkers of a waterfront hotel on approximately three acres of their retained property (referred to as Parcel B of the Park Plaza Specific Plan), plus development by the Parkers of a hostel on other property to be acquired in the waterfront area; and

G. WHEREAS, in furtherance of the joint public/private partnership between the RDA and the Parkers, the City adopted certain amendments to the Park Plaza Specific Plan on March 22, 1994 (the “Amended Specific Plan”). The Amended Specific Plan provided the necessary zoning and land use regulations to construct what is now known as Chase Palm Park and a waterfront hotel on the Parkers’ retained acreage (Parcel B); and

H. WHEREAS, funding sources became available to the RDA to construct Chase Palm Park before the Parker Family could construct the waterfront hotel; therefore, at the City’s request, the Parker Family agreed to donate the Park Parcel to the RDA before developing the waterfront hotel, and to undertake numerous obligations, including without limitation annual monetary contributions for maintenance of Chase Palm Park and the obligation to double the maintenance contribution once the waterfront hotel opened; and

I. WHEREAS, in conjunction with donating the Park Parcel, the City and the Parker Family entered into that certain Development Agreement, dated August 2, 1996 (“Development Agreement No. 1”), which was approved by the Santa Barbara City Council through its adoption of Ordinance No. 4920 on August 15, 1995; and

J. WHEREAS, in conjunction with approving Development Agreement No.1, on August 15, 1995 the Santa Barbara City Council considered an addendum dated June 8, 1995 to the certified Final Environmental Impact Report (ENV 92-0107; SCH92091038) (“FEIR”) together with the certified FEIR, made environmental findings pursuant to the California Environmental Quality Act (CEQA), and approved associated revisions to the Development Plan, Coastal Development Permit, Modification, and other land use permits; and

K. WHEREAS, on May 28, 1998, with the addition of the park area north of Cabrillo Boulevard jointly developed by the City, RDA and the Parker Family, Chase Palm Park became the City's largest waterfront park; and

L. WHEREAS, as contemplated in the Amended Specific Plan, Development Agreement No. 1 approved with certain conditions the development of a 150-room waterfront luxury hotel on the Parker's retained property; and

M. WHEREAS, as a condition of approval for the new waterfront hotel, the Parker Family agreed to construct a separate 100-bed hostel to provide lower-cost visitor accommodations in the waterfront area (the "Hostel"); and

N. WHEREAS, the Hostel was constructed and on August 12, 2014 a Final Certificate of Occupancy for the completed Hostel, located at 12 East Montecito Street, was issued by the City; and

O. WHEREAS, in accordance with Development Agreement No. 1, the Parker Family secured the Hotel Building Permits and Public Works Permits, as defined below, to develop the 150-room waterfront luxury hotel; and

P. WHEREAS, prior to the expiration of Development Agreement No. 1, the Parker Family vested its rights to develop and construct the Hotel as evidenced by the issuance of the Hotel Building Permits and Public Works Permits and the Parker Family having performed substantial work and having incurred substantial liabilities in good faith reliance on the Hotel Building Permits and Public Works Permits, which as of the Effective Date remain valid. The Parker Family has not abandoned, terminated or foregone any vested rights in the Hotel or the Development Approvals, as those terms are defined below, and does not intend to do so, except as may be expressly stated herein; and

Q. WHEREAS, since the execution of Development Agreement No. 1, the Parker Family has expended substantial financial resources and incurred substantial liabilities to develop the Hotel, to fund the maintenance and operation of Chase Palm Park, to make public improvements necessary to develop the Hotel Parcel, and to complete the Hostel. However, due to the global economic and financial crisis beginning in 2008, the Parker Family has been unable to complete the Hotel within the originally anticipated timeframe; and

R. WHEREAS, on August 30, 2007, the City of Santa Barbara Planning Commission adopted Resolution No. 032-07 approving a Coastal Development Permit and a Conditional Use Permit ("Parking Lot Parcel Approvals") and considering the certified FEIR together with the FEIR Addendum dated August 15, 2007 and making CEQA environmental findings, to allow the construction of a 106 stall parking lot with a 100 square foot unenclosed kiosk to provide part of the Hotel's required parking at 103 South Calle Cesar Chavez (APN 017-113-020), which property is not subject to the Amended Specific Plan (the "Parking Lot Parcel") but is a component of the overall development of the Hotel ;and

S. WHEREAS, on July 2, 2008 the City issued a building permit (BLD2007-02954) to develop a parking lot and kiosk on the Parking Lot Parcel in conjunction with the Hotel; and

T. WHEREAS, on May 23, 2008 the Parker Family applied to merge ten parcels into one parcel at 103 South Calle Cesar Chavez (APN 017-113-020), and on December 3, 2010 a Certificate of Voluntary Merger was recorded in the Santa Barbara County Clerk-Recorder's office as Instrument No. 2010-0069204 of Official Records; and

U. WHEREAS, in a letter dated November 5, 2010, the City set forth the process by which it would determine at a future date the square footage of allowed commercial development on the Parking Lot Parcel, taking into consideration the development potential of the ten lots comprising the newly created Parking Lot Parcel prior to 1989; and

V. WHEREAS, the City and the Parker Family wish to complete ~~their shared vision for the~~ development of the waterfront area in accordance with the Amended Specific Plan; and

W. WHEREAS, development of the Hotel Parcel is the final component of the Amended Specific Plan yet to be completed; and

X. WHEREAS, the ongoing development of the Hotel has provided, and will further provide, significant public benefits, including without limitation:

- a. Dedicated land to ~~create~~enlarge Chase Palm Park;
- b. The contribution of \$124,014.00 for the installation of the traffic signal at the U.S. 101 / Cabrillo Boulevard intersection;
- c. The contribution of \$413,300.00 for the cost of the Calle Cesar Chavez expansion project;
- d. The construction of a 100-bed hostel, which provides ~~lower cost~~ visitor accommodations in the waterfront area;
- e. The annual expenditure by the Parker Family of \$62,500, which totals more than \$1,125,000.00 paid to date, to assist in the operation and maintenance of Chase Palm Park until such time the Hotel is constructed;
- f. An increase in the amount of annual funds contributed by the Parker Family towards the cost of operating and maintaining Chase Palm Park for thirty five years from completion of the Hotel;
- g. The development and operation of a ~~luxury~~ hotel on the City waterfront on a vacant parcel; and
- h. Restoration of the El Estero drainage area through the Parking Lot Parcel with native habitat and the remediation and removal of hazardous materials in the area.

Y. WHEREAS, the City and the Parker Family agree that the overall design and concept of the Hotel may need to be revised to better meet the marketplace for waterfront hotels, which has changed since the Hotel was originally approved; and

Z. WHEREAS, a redesigned hotel may be in the best interest of both the City and the Parker Family as it may have fewer impacts on traffic and public views, and may create more open space on Parcel B while continuing to provide a ~~first-class~~ hotel on the City's waterfront; and

AA. WHEREAS, to the extent a revised hotel may result in a reduction in the total number of hotel rooms originally approved by the City on the Hotel Parcel, the Parker Family and the City confirm the Parker Family's ability to transfer some or all of the unused development rights from the Hotel Parcel to another property or properties within the City subject to certain conditions set forth herein; and

BB. WHEREAS, after conducting duly noticed public hearings on January 7 and March 10, 2016, the City Planning Commission reviewed, considered, and recommended to City Council adoption of this Agreement and consideration of an Addendum dated January 14, 2016 to the certified FEIR together with the certified FEIR and earlier FEIR Addenda of November 7, 1996 and August 15, 2007, and adoption of CEQA environmental findings in accordance with CEQA; and

CC. WHEREAS, after conducting a duly noticed public hearing on [REDACTED], 2016 and after independent review and consideration, the City Council (i) adopted Ordinance No. [REDACTED] (hereinafter the "Enacting Ordinance") authorizing execution of this Agreement; (ii) considered the certified FEIR together with FEIR Addenda dated June 8, 1995, November 7, 1996, August 15, 2007 and an FEIR Addendum dated January 14, 2016 and made required environmental findings pursuant to CEQA; and (iii) found that the provisions of this Agreement provide public benefits to persons residing or owning property in the City of Santa Barbara beyond the exactions for public benefits required or allowed to be required in the normal development review and approval process under federal, state, and local law; and (iv) approved the execution and recording of this Agreement; and

DD. WHEREAS, in consideration of the public improvements and significant public benefits provided by the Parker Family pursuant to this Agreement, the City intends to grant the Parker Family certain vested rights to proceed with the development of the Hotel Parcel and Parking Lot Parcel, pursuant to this Agreement; and

EE. WHEREAS, the Parker Family would not enter into this Agreement, or agree to provide the public benefits, public improvements and financial contributions described in this Agreement without the assurances of the City that the Hotel Parcel and Parking Lot Parcel can be developed as provided for herein; and

FF. WHEREAS, on December 29, 2011 the California Supreme Court upheld AB 1 X 26 and required the dissolution of all redevelopment agencies in California, including the RDA; the City has succeeded to all of the RDA's rights and obligations pertaining to the agreements with the Parker Family relating to Chase Palm Park, the Hotel, and Hotel Parcel; and

GG. WHEREAS, the City finds that this Agreement is consistent with the City of Santa Barbara's General Plan, the Amended Specific Plan, the City of Santa Barbara Zoning

Ordinance and the City's Local Coastal Plan, and that the City has completed all necessary proceedings in accordance with the City's rules and regulations for approval of this Agreement.

**NOW, THEREFORE,** with reference to the foregoing recitals and in consideration of the mutual promises, obligations and covenants herein contained, which are incorporated herein by reference and hereafter made part of this Agreement, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the City and the Parker Family agree as follows:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated herein as if set forth in full.

2. Purpose. The purpose of this Agreement is: a) to confirm the existing right of the Parker Family to complete the Hotel on the Hotel Parcel and the associated improvements on the Parking Lot Parcel within a defined time period (subject only to the receipt of new Building and Public Works Permits from the City and in compliance with the Conditions of Approval described in City Ordinance 4920 and City Resolution No. 032-07 ); b) to confirm the right of the Parker Family alternatively to propose and apply for permits for a revised hotel design on the Hotel Parcel and the Parking Lot Parcel through new Discretionary Permits, subject to Existing City Laws; and c) to define the process by which the Parker Family may transfer some or all of the unused approved commercial square footage and/or hotel rooms from the Hotel Parcel to another property or properties within the City.

3. Property Description and Binding Covenants. The Hotel Parcel is that real property described in Exhibit A. The Parking Lot Parcel is that real property described in Exhibit B. Upon execution of this Agreement by the parties and recordation of this Agreement, the provisions of this Agreement shall constitute covenants which shall run with the Hotel Parcel and the Parking Lot Parcel and the benefits and burdens hereof shall bind and inure to all successors in interest and assigns of the parties hereto. This Agreement shall be recorded against the Hotel Parcel and the Parking Lot Parcel as required by California Government Code Section 65868.5.

4. Term. The term of this Agreement shall commence upon the effective date of the Enacting Ordinance ("Effective Date"). The term of this Agreement shall extend for a period of ten (10) years after the Effective Date ("Term"), unless said Term is terminated, modified or extended by circumstances set forth in this Agreement or by mutual consent of the parties hereto.

4.1. Tolling and Extension During Legal Challenge or Moratoria. In the event this Agreement, any of the land use entitlements related to the Hotel Parcel or the Parking Lot Parcel, the Environmental Document, or any subsequent approvals or permits required to implement the land use entitlements for the Hotel Parcel, the Parking Lot Parcel or this Agreement are subjected to legal challenge and the Parker Family is unable to proceed with development of the Hotel Parcel or Parking Lot Parcel due to such legal challenge (or the Parker Family provides written notice to the City that it is electing not to proceed with development of the Hotel Parcel or Parking Lot Parcel until such legal challenge is resolved to the Parker Family's satisfaction), the Term of this Agreement and timing for obligations imposed by this Agreement shall be extended

and tolled during such legal challenge until the entry of a final order or judgment upholding this Agreement, the Environmental Document, or the land use entitlements, approvals, or permits related to this Agreement, or the litigation is dismissed by stipulation of the parties; provided, however, that notwithstanding the foregoing, the Parker Family shall have the right to elect, in the Parker Family's sole and absolute discretion, to proceed with development of the Hotel Parcel or the Parking Lot Parcel at any point by providing the City written notice that it is electing to proceed, in which event the tolling of the Term of this Agreement shall cease as of the date of such notice. Similarly, if the Parker Family is unable to develop the Hotel Parcel or the Parking Lot Parcel due to the imposition by the City or other public agency of a development moratoria for a public health and safety reason unrelated to the performance of the Parker Family's obligations under this Agreement (including without limitation, moratoria imposed due to the unavailability of water or sewer to serve the Hotel Parcel), then the Term of this Agreement and the timing for obligations imposed pursuant to this Agreement shall be extended and tolled for the period of time that such moratoria prevents development of the Hotel Parcel or the Parking Lot Parcel.

5. Amendment to Agreement. This Agreement may be amended from time to time by mutual written consent of the parties in accordance with applicable laws governing development agreements. The parties acknowledge that under the City Zoning Ordinance and applicable rules, regulations and policies of the City, the Community Development Director or his or her designee has the discretion to approve alterations or revisions to any approved land use entitlement for the Hotel Parcel or the Parking Lot Parcel that are in substantial conformance with the Hotel and Parking Lot Parcel Approvals depicted in the plans approved by building permits (BLD2007-01318 and BLD2007-02954). Accordingly, any alteration or revision to an entitlement or approval that is determined by the City Community Development Director to be in substantial conformance with the approved land use entitlements and relates to the Hotel Parcel or the Parking Lot Parcel shall not constitute nor require an amendment to this Agreement to be effective.

6. Permitted Uses. The permitted uses of the Hotel Parcel, the intensity and density of use, the maximum height of structures, the location of public improvements and other terms and conditions of development applicable to the Hotel Parcel shall be those set forth in the Amended Specific Plan and Existing City Laws, as defined below, Ordinance 4920, and this Agreement. The permitted uses of the Parking Lot Parcel, the intensity and density of use, the maximum height of structures, the location of public improvements and other terms and conditions of development applicable to the Parking Lot Parcel shall be those set forth in the Existing City Laws, the Parking Lot Parcel Approvals, and this Agreement.

7. Vested Entitlements. Subject to the provisions and conditions of this Agreement, the City hereby agrees that the City is granting, and grants herewith, a fully vested entitlement and right to develop the Hotel Parcel and Parking Lot Parcel in accordance with the terms and conditions of this Agreement. The Parker Family's vested right to proceed with the development of the Hotel Parcel and Parking Lot Parcel may be subject to a subsequent approval process as set forth in this Agreement; provided that any conditions, terms, restrictions and requirements for such subsequent actions shall not prevent development of the Hotel Parcel or the Parking Lot Parcel for the uses set forth in the Amended Specific Plan, the Hotel and Parking Lot Parcel

Approvals and Existing City Law, or reduce the intensity or density of development, or limit the rate or timing of development set forth in the Amended Specific Plan, the Hotel and Parking Lot Parcel Approvals, Existing City Laws and this Agreement, unless so requested by the Parker Family and so long as the Parker Family is not in default under this Agreement.

7.1 Conflicting Ordinances or Moratoria. Except as provided in this Agreement and subject to applicable law relating to the vesting provisions of development agreements, so long as this Agreement remains in full force and effect, no future resolution, rule, ordinance or legislation adopted by the City or by initiative (whether initiated by the City Council or by voter petition, other than a referendum that specifically overturns the City's approval of this Agreement) shall directly or indirectly limit the rate, timing, sequencing or otherwise impede development of the Hotel Parcel or the Parking Lot Parcel from occurring in accordance with this Agreement. To the extent any future rules, ordinances, regulations or policies applicable to development of the Hotel Parcel or the Parking Lot Parcel are not inconsistent with the Amended Specific Plan, Existing City Laws, or this Agreement, such rules, ordinances, regulations and policies shall be applicable.

7.2 Authority of City. This Agreement shall not be construed to limit the authority or obligation of the City to hold necessary public hearings, or to limit the discretion of the City with regard to applicable laws that would require the exercise of discretion by the City, provided that subsequent discretionary actions shall not prevent or delay development of the Hotel Parcel and the Parking Lot Parcel for the uses and the density and intensity of development as provided by the Amended Specific Plan, the Hotel and Parking Lot Parcel Approvals, Existing City Laws and this Agreement.

8. Application and Project Development Fees; Credit for Development Mitigation Fees. The Parker Family shall pay those application, processing, inspection and plan check fees as may be required by the City under the then-current regulations for processing applications and requests for any subsequent entitlements for the Hotel Parcel or Parking Lot Parcel, including without limitation any New Development Proposal, as defined below. Consistent with the terms of this Agreement, the City shall have the right to impose and the Parker Family shall pay such development fees, impact fees and other such fees levied or collected by the City to offset or mitigate the impacts of development of the Hotel Parcel and the Parking Lot Parcel pursuant to any subsequent entitlements, including without limitation any New Development Proposal, and which will be used to pay for public utilities and improvements attributable to the Hotel Parcel or the Parking Lot Parcel as have been adopted by the City as of the Effective Date of this Agreement ("Development Mitigation Fees"). Notwithstanding the foregoing, the Parker Family shall receive a credit against any and all Development Mitigation Fees, including without limitation any Development Mitigation Fees imposed on or attributable to any subsequent entitlements, including without limitation, any New Development Proposal, as defined below, for those certain impact fees, mitigation fees, public improvements, and public dedications set forth in Sections 8.3-8.7, below. Unless otherwise specifically provided in this Agreement, any Development Mitigation Fees shall be paid at the time of issuance of building permit.

8.1 Adjustment to Development Mitigation Fees. The City may adjust the Development Mitigation Fees from time-to-time and all such adjustments shall be done in

accordance with City policy regarding the assumptions and methodology governing adjustments of City fees generally and in accordance with the Mitigation Fee Act (California Government Code Section 66000 *et seq.*, as may be amended or revised) or other applicable law. In the event the Development Mitigation Fees are reduced or eliminated prior to the time in which the Parker Family is obligated to pay such Development Mitigation Fee, the Parker Family shall be entitled to receive the benefit of such reduction.

8.2 New Development Mitigation Fees. In the event that after the Effective Date of the Agreement the City adopts a new development mitigation fee in accordance with the Mitigation Fee Act (“New Development Mitigation Fee”) and the New Development Mitigation Fee is applicable on a city-wide basis and includes the Hotel Parcel or the Parking Lot Parcel, development of the Hotel Parcel or the Parking Lot Parcel will be subject to the New Development Mitigation Fee.

8.3. Provision of ~~Lower-Cost Visitor Accommodations~~a Hostel. The City hereby acknowledges and agrees that the Parker Family has fully satisfied the requirements of the Amended Specific Plan, Existing City Laws and any additional requirements or mitigation measures that may be applicable to any development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement, including without limitation any development pursuant to a New Development Proposal, related to the accommodation or construction of a hostel affordable or lower-cost visitor accommodations by and through development of the Hostel at 12 E. Montecito Street. The City shall not require as a condition of approval or otherwise for development of the Hotel Parcel or the Parking Lot Parcel any additional fees, dedications or expenditures by the Parker Family related to the accommodation or construction of a hostel or affordable or lower-cost visitor accommodations.

8.4. Dedication of Parks and Open Space and Park Maintenance Funding. The City hereby acknowledges and agrees that the Parker Family’s dedication of the 4.9 acre Park Parcel, annual payment of \$62,500 for park maintenance fees (\$1,125,000.00 to date), and agreement to pay additional annual maintenance fees for thirty five years from completion of the Hotel fully satisfies the City’s development mitigation requirements for providing parks and recreation facilities as they relate to development of the Hotel Parcel and the Parking Lot Parcel under this Agreement, including without limitation any development pursuant to a New Development Proposal. The City shall not require as a condition of approval or otherwise for development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement any additional fees, dedications or expenditures by the Parker Family related to parks, open space, or public recreation facilities, except as required by the Development Approvals. Notwithstanding the foregoing, prior to, and throughout construction of the Hotel, the Parker Family shall maintain temporary construction fencing surrounding the Hotel Parcel in good order, with a uniform green color (Malaga Green), and keep the project site secure. Until the commencement of construction of the Hotel, all trees identified in the April 12, 2013 City Parks and Recreation Department memorandum shall be maintained by the Parker Family and subject to periodic inspection by Parks and Recreation staff.

8.5. Traffic Impact Fees. The City hereby acknowledges and agrees that in furtherance of the development of the Hotel Parcel, the Parker Family has contributed

\$124,014.00 for the installation of the traffic signal at U.S. 101 / Cabrillo Boulevard intersection and \$413,300.00 for the cost of the Calle Cesar Chavez expansion project. The Parker Family shall be credited for said improvements and the contribution of said funds against any Development Mitigation Fee or New Development Mitigation Fee related to traffic and circulation impacts imposed for development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement, including without limitation any development pursuant to a New Development Proposal.

8.6 School Mitigation Fee. The City hereby acknowledges and agrees that in furtherance of the development of the Hotel Parcel, the Parker Family has contributed \$47,190.00 in school mitigation fees. The Parker Family shall be credited for said fee against any Development Mitigation Fee or New Development Mitigation Fee related to school impacts imposed for the development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement, including without limitation any development pursuant to a New Development Proposal. Final determinations as to any school mitigation fees shall be made by the Santa Barbara School District.

8.7. Public Works Fees. The City hereby acknowledges and agrees that in furtherance of the development of the Hotel Parcel and Parking Lot Parcel, the Parker Family has paid Water and Sewer Buy-in Fees, as well as Water and Sewer Tap Fees, to the Public Works Department under the permits PBW2008-00729 and PBW2008-00975. The Parker Family shall be credited for said fee, in the dollar amount paid, against any Water or Sewer Buy-in Fees and/or Water and Sewer Tap Fees related to the supply, purveyance or distribution of water or sewer services imposed for the development of the Hotel Parcel or the Parking Lot Parcel pursuant to this Agreement, including without limitation any development pursuant to a New Development Proposal. The applicant shall be responsible for paying all applicable fees, minus the credit described above, per the City's current Fee Resolution at the time of Public Works Permit application(s).

9. Applications for Approvals and Entitlements.

9.1 Actions by the City. City agrees it will accept, in good faith, for processing, review and action all applications for development permits or other land use entitlements for use of the Hotel Parcel or the Parking Lot Parcel, including without limitation any New Development Proposal, in accordance with this Agreement, the Amended Specific Plan, and Existing City Laws. Accordingly, to the extent that the applications and submittals are in conformity with the Amended Specific Plan, Existing City Laws and this Agreement, the City agrees to accept, review and take action on all subsequent applications and submittals made to the City by the Parker Family for developing the Hotel Parcel or the Parking Lot Parcel.

10. Continuing Development of Hotel. The City approves, affirms, and consents to the continuing development of the Hotel Parcel and the Parking Lot Parcel and to the construction of a hotel and any other works of improvement (including right-of-way and parking improvements) permitted by the Amended Specific Plan, the Hotel and Parking Lot Parcel Approvals subject to required Conditions of Approval, Existing City Laws and subject to the terms and conditions of this Agreement at any time during the Term, subject only to the following conditions:

10.1. Expiration of Hotel Building Permits; Development Pursuant to Existing Development Approvals; Substantial Conformance Determination. Upon the expiration of all appeal periods, including but not limited to any appeal to the California Coastal Commission, and statutes of limitation to bring a legal challenge against the City or the Parker Family related to this Agreement or the validity of this Agreement, and the resolution of such appeal or legal challenge in favor of upholding the validity of this Agreement without amendment or revision (“Appeal Period”), the Hotel Building Permits and Public Works Permits shall expire and until such Appeal Period has expired the Hotel Building Permits and Public Works Permits shall remain valid. If the Parker Family, in its sole and absolute discretion, elects to construct the Hotel and associated improvements on the Hotel Parcel and the Parking Lot Parcel pursuant to the Development Approvals, Conditions of Approval and Parking Lot Parcel Approvals, the Parker Family shall comply with the Development Approvals, Conditions of Approval and Parking Lot Parcel Approvals and shall apply for and obtain new building permits and public works permits for the Hotel (“New Building Permits and New Public Works Permits”). An application for New Building Permits or New Public Works Permits shall be reviewed and considered for approval in accordance with the version of the California Building Code, as duly adopted and amended by the City, in effect at the time the application for New Building Permits or New Public Works Permits is submitted. Because the Hotel and the associated improvements on the Hotel Parcel were designed and approved prior to the adoption of the City’s Storm Water Management Ordinance (Chapter 22.87 of the Santa Barbara Municipal Code), it is not possible to construct the Hotel, as approved by the Building Permits and Public Works Permits, in a manner that strictly complies with the detention requirements of the City’s Storm Water Management Ordinance; however, the Hotel will comply with all treatment requirements of the City’s Storm Water Management Ordinance, including without limitation the Storm Water Management Plan Tier 3 treatment requirements. Therefore, with the sole exception of the detention requirements, any application for New Building Permits and New Public Works Permits that relates to the Hotel and the associated improvements on the Hotel Parcel shall comply with all provisions of the City’s Storm Water Management Ordinance.

The continuing right to develop the Hotel Parcel and the Parking Lot Parcel is contained within this Agreement. With the exception of the New Building Permits and New Public Works Permits, the City shall not require any additional dedications, public improvements, or the payment of any additional fees or costs, other than those fees charged by the City to obtain the New Building Permits and New Public Works Permits. The Parker Family shall have four (4) years from the Effective Date of this Agreement to submit an application to the City for the New Building Permits and New Public Works Permits and shall obtain the New Building Permits and New Public Works Permits within five (5) years of the Effective Date, which time periods shall be extended as set forth in Sections 4.1 and 18 of this Agreement. Upon receipt of any application for the New Building Permits and Public Works Permits, the City shall diligently process said application and the time periods set forth in this Section 10.1 shall be extended by any unreasonable delay by the City in the processing or review of said application. If the Parker Family does not obtain the New Building Permits and Public Works Permits within five (5) years of the Effective Date (as may be extended pursuant to this Agreement), the Parker Family’s ability to construct the Hotel pursuant to the Development Approvals, Conditions of Approval and Parking Lot Approvals shall expire.

Nothing herein shall prevent the Parker Family from requesting the Hotel, the Parking Lot Parcel Approvals, or the Development Approvals be revised pursuant to the City's "Substantial Conformance Determination" process, as set forth in the City Planning Commission Guidelines adopted by the City Council on July 15, 1997 ("SCD Guidelines"). Any request by the Parker Family for a Substantial Conformance Determination shall be processed by the City in conformance with the SCD Guidelines as a Level 4 proposal with a hearing before the Planning Commission and shall be considered in relationship to the Hotel and Parking Lot Parcel Approvals depicted in the plans approved by building permits (BLD2007-01318 and BLD2007-02954). The parties hereby agree and acknowledge that for purposes of applying the SCD Guidelines to any request by the Parker Family for a substantial conformance determination regarding a proposed revision to the Hotel and the Parking Lot Parcel Approvals, a determination of "substantial conformance" shall be made in consideration of (A) whether the proposed revision results in a cumulative or overall increase to any of the following: (i) the total number of guest rooms on the Hotel Parcel, (ii) the total square footage of guest rooms on the Hotel Parcel, (iii) the square footage of total development on the Hotel Parcel and Parking Lot Parcel, (iv) the visual, traffic or circulation impacts of the Hotel, (v) the total building footprint of the Hotel and related improvements on the Hotel Parcel and the Parking Lot Parcel, and (vi) the overall height of the Hotel and related improvements on the Hotel Parcel and the Parking Lot Parcel; and (B) whether the proposed revisions conform with the Amended Specific Plan and do not require new or additional environmental review under the California Environmental Quality Act, other than an addendum to the FEIR. Nothing in this Section 10.1 shall in any way require or commit the City to approve a Substantial Conformance Determination request at any time in the future. Any revision of the Hotel or related improvements on the Hotel Parcel or the Parking Lot Parcel submitted for consideration pursuant to the Substantial Conformance Determination process shall comply with all aspects of the City's Storm Water Management Ordinance.

10.2 Development Pursuant to New Development Proposal. Alternatively, the Parker Family, in its sole and absolute discretion, may pursue an alternative development of the Hotel Parcel subject to the terms and conditions of this Agreement ("New Development Proposal"). Any application for a New Development Proposal submitted to the City during the Term of this Agreement shall be subject only to the Amended Specific Plan, Existing City Laws and this Agreement. For purposes of clarity, any application for a New Development Proposal shall comply with all aspects of the City's Storm Water Management Ordinance.

10.3 Development of Parking Lot Parcel. The Parking Lot Parcel Approvals shall remain in full force and effect for the Term of this Agreement. In the event the Parker Family, in its sole and absolute discretion, elects to pursue an alternative development on the Parking Lot Parcel, such development shall comply with Existing City Laws and this Agreement.

11. Transfer of Existing Development Rights. The City hereby affirms the Parker Family's existing vested right to develop a total 142,647 square feet of commercial square footage on the Hotel Parcel ("Approved Square Footage"), which includes One Hundred Fifty (150) Hotel Rooms within 59,575 square feet of floor area ("Approved Hotel Rooms") and 83,072 square feet of non-room floor area ("Approved Non-room Square Footage") as set forth in the Development Approvals and the Hotel Building Permits. In the event the Parker Family elects,

in its sole discretion, to develop a hotel on the Hotel Parcel that reduces the overall number of Approved Hotel Rooms and/or Approved Non-room Square Footage on the Hotel Parcel, the Parker Family may submit an application to the City to transfer some or all of the undeveloped Approved Hotel Rooms and/or Approved Non-room Square Footage from the Hotel Parcel to one or more receiving sites, which transfer of development rights shall be subject to the terms and conditions of this Paragraph 11.

In calculating the amount of undeveloped Approved Hotel Rooms and/or Approved Non-room square footage available for transfer from the Hotel Parcel, the Approved Project shall be treated as if it were constructed in accordance with the Hotel Building Permits.

Upon the Effective Date, the Parker Family shall have the right to transfer up to seventy (70) Approved Hotel Rooms and up to 39,044 square feet of Approved Non-room Square Footage (collectively, "Initial TEDR") from the Hotel Parcel to one or more receiving sites, pursuant to this Agreement. Prior to the transfer of any Approved Hotel Rooms or Approved Non-room Square Footage in excess of the Initial TEDR from the Hotel Parcel to one or more receiving sites, the Parker Family shall first obtain building permits from the City for development of a hotel on the Hotel Parcel.

To the extent this Paragraph 11 conflicts with Existing City Laws, including but not limited to Chapter 28.95 of the Santa Barbara Municipal Code and its implementing procedures and guidelines, for purposes of this Agreement, the terms of this Paragraph 11 shall control. During the term of this Agreement, any transfer of Approved Hotel Rooms from the Hotel Parcel shall be subject to this Paragraph 11 and shall not be subject to any future ordinance or regulation adopted by the City that is intended to regulate the transfer of existing development rights, unless the Parker Family elects to rely on the City laws in effect at the time of a proposed transfer, as identified in Section 11.2 below.

The Parker Family's ability to transfer undeveloped Approved Hotel Rooms from the Hotel Parcel to one or more receiving sites on a "room for room" basis, shall expressly survive termination or expiration of this Agreement. In addition, the Approved Hotel Rooms and the Approved Non-room Square Footage shall be treated as Approved Floor Area for purposes of Section 28.95.020.2 of the Santa Barbara Municipal Code (notwithstanding any expiration of the Parker Family's ability to construct the Hotel pursuant to Section 10.1 or the termination of this Agreement). However, but for the right to transfer undeveloped Approved Hotel Rooms on a room for room basis (as opposed to a square footage basis) and the recognition of the Approved Hotel Rooms and Approved Non-room Square Footage as Approved Floor Area, any application for the transfer of undeveloped Approved Hotel Rooms or Approved Non-room Square Footage that is submitted after the termination or expiration of this Agreement shall be processed in accordance with the City laws in effect as of the time such an application is submitted.

~~11.1—Transfer of Approved Hotel Rooms to Fess Parker Hotel Parcel. The Parker Family may submit an application to the City for a transfer of existing development rights for some or all of the undeveloped Approved Hotel Rooms and/or Approved Non-room Square Footage from the Hotel Parcel to the Fess Parker Hotel Parcel, which the City shall review and approve subject only to the terms and conditions set forth in this Paragraph 11.1.~~

~~1. The Parker Family's transferable development rights in the Approved Hotel Rooms shall be available for transfer to the Fess Parker Hotel Parcel on a "room for room" basis and/or measured by square feet of floor area, which for purposes of this Paragraph 11.1 is deemed to be 397 square feet per Approved Hotel Room.~~

~~2. The Parker Family is not obligated to pursue a transfer of development rights and this Agreement does not require or approve such transfer. Any proposed transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel shall be considered a new development proposal on the Fess Parker Hotel Parcel and shall require a separate development plan application and the requisite environmental review and approvals from the City at such time as the Parker Family may request such transfer.~~

~~3. In its review of any application to transfer development rights from the Hotel Parcel to the Fess Parker Hotel Parcel, the City shall take into consideration and give appropriate credit to the Parker Family for those fees, dedications and public improvements made by the Parker Family in satisfaction of its obligations under Development Agreement No. 1, including without limitation its provision of lower cost visitor accommodations through development of the Hostel, provision of parks and open space through the dedication of the Park Parcel and ongoing annual payments to the City of park maintenance fees, and the provision of traffic and circulation improvements through the payment of fees for the installation of the traffic signal at U.S. 101 / Cabrillo Boulevard and expansion of Calle Cesar Chavez.~~

~~4. Given the physical proximity of the Hotel Parcel to the Fess Parker Hotel Parcel and the similarity of uses at the properties, the City shall use, where appropriate, all applicable reports, environmental documents, studies and other documents prepared by or on behalf of the Parker Family for the development of the Hotel Parcel in its review of any proposed development on the Fess Parker Hotel Parcel resulting from a transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel. Notwithstanding the foregoing, the City may request additional information or studies with respect to any proposed development of the Fess Parker Hotel Parcel resulting from a transfer of development rights from the Hotel Parcel to the Fess Parker Hotel Parcel.~~

~~5. The City hereby acknowledges and agrees that any transfer of Approved Hotel Rooms and/or Approved Non-room Square Footage from the Hotel Parcel to the Fess Parker Hotel Parcel does not require an allocation from the allowable square footage specified in Subsection A of Section 28.85.010 of the Santa Barbara Municipal Code.~~

~~6. Except as otherwise expressly stated herein, any application for a transfer of Approved Rooms and/or Approved Non-room Square Footage from the Hotel Parcel to the Fess Parker Hotel Parcel shall be processed by the City in accordance with Existing City Laws (including, but not limited to, the City's Traffic Management Strategy and Chapters 28.85 and 28.95 of the Santa Barbara Municipal Code), the Amended Specific Plan and this Agreement.~~

11.21 Process for Transfer of Existing Development Rights to Parcels Other Than Fess Parker Hotel Parcel. If the Parker Family submits an application to the City to transfer any

Approved Hotel Rooms or Approved Non-room Square Footage from the Hotel Parcel to ~~any another parcel other than the Fess Parker Hotel Parcel~~, the following terms and conditions shall apply:

1. The Parker Family's transferable development rights in the Approved Hotel Rooms shall be available for transfer on a "room for room" basis or measured by square feet of floor area, which for purposes of this Paragraph 11.21 is deemed to be 397 square feet per Approved Hotel Room.

2. The City hereby acknowledges and agrees that any transfer of Approved Rooms or Approved Non-room Square Footage from the Hotel Parcel does not require an allocation from the allowable square footage specified in subsection A of Section 28.85.010 of the Santa Barbara Municipal Code.

3. Except as otherwise expressly stated herein, any application for a transfer of Approved Rooms or Approved Non-room Square Footage from the Hotel Parcel shall be processed by the City in accordance with Existing City Laws (including, but not limited to, the City's Traffic Management Strategy and Chapters 28.85 and 28.95 of the Santa Barbara Municipal Code), the Amended Specific Plan and this Agreement.

11.32 Transfer of Existing Development Rights Under Future Regulations. Notwithstanding any provision herein, the Parker Family may elect, in its sole discretion, to process any request for a transfer of existing development rights from the Hotel Parcel in accordance with any City laws relating to the transfer of existing development rights in effect at the time of such proposed transfer, including without limitation Chapter 28.95 of the Santa Barbara Municipal Code. If the Parker Family elects to process a transfer of existing development rights in accordance with future City regulations, as opposed to the provisions of the Existing City Laws and this Agreement, any such transfer shall be processed in accordance with the entire regulatory scheme of the future regulations relating to the transfer of existing development rights. The Parker Family cannot elect to use portions of the Existing City Laws and this Agreement relating to the transfer of existing development rights and portions of the future regulations relating to the transfer of existing development rights.

12. Cooperation in the Event of a Legal Challenge. In the event any legal action instituted by any third party or other governmental entity or official challenging the validity of any provision of this Agreement, the parties hereby agree to cooperate in defending said action.

13. Enforceability. The City agrees that unless this Agreement is amended or canceled pursuant to the provisions set forth herein it shall be enforceable according to its terms by any party hereto notwithstanding any change hereafter to any general plan, specific plan, local coastal program, zoning ordinance, subdivision ordinance or building regulation adopted by the City or initiative, which changes, alters or amends the rules, regulations and policies applicable to the development of the Hotel Parcel or the Parking Lot Parcel or the rights granted to the Parker Family in this Agreement as of the Effective Date of this Agreement.

14. Estoppel Certificate. Either party may, at any time, and from time to time, deliver written notice to the other party requesting such party certify in writing that, to the knowledge of the certifying party, (i) this Agreement is in full force and effect and a binding obligation of the parties, (ii) this Agreement has not been amended or modified either orally or in writing, or if so amended, identifying the amendments, and (iii) the requesting party is not in default in the performance of its obligations under this Agreement, or if in default, to describe therein the nature of the default. The party receiving the request hereunder shall execute and return such certificate to the requesting party within thirty (30) days following receipt thereof. City acknowledges that a certificate hereunder may be relied upon by transferees and mortgagees of the Parker Family.

15. Mortgagee Protection. The parties hereto agree that this Agreement shall not prevent or limit the Parker Family's ability to encumber the Hotel Parcel or the Parking Lot Parcel, or any portion thereof, or any improvement thereon by any mortgage, deed of trust or any other security or financing instrument. City acknowledges that the Parker Family's lenders or potential lenders may require certain interpretations of the Agreement and modifications and agrees to meet with the Parker Family and representatives of such lenders or potential lenders to negotiate in good faith any such request for interpretation or modification. City will not unreasonably withhold its consent to any such interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Agreement. Any lender that obtains a mortgage or deed of trust against the Hotel Parcel or the Parking Lot Parcel shall be entitled to the following rights and privileges:

A. Neither entering this Agreement nor a breach of this Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Hotel Parcel or the Parking Lot Parcel made in good faith for value, unless otherwise required by law.

B. The mortgagee of any mortgage or deed of trust encumbering the Hotel Parcel or the Parking Lot Parcel, or any part thereof, which the mortgagee has submitted a written request to the City to receive notices, may request to receive written notification from the City of any default by the Parker Family in the performance of the Parker Family's obligations under this Agreement.

C. If the City timely receives a request from a mortgagee requesting a copy of any notice of default given to the Parker Family under the terms of this Agreement, the City shall provide a copy of that notice to the mortgagee within ten (10) days of sending notice of default to the Parker Family. The mortgagee shall have the right, but not the obligation, to cure the default during any cure period allowed to the Parker Family under this Agreement.

D. Any mortgagee who comes into possession of the Hotel Parcel or the Parking Lot Parcel, or any part thereof, by any means, whether pursuant to foreclosure or deed in lieu of foreclosure or otherwise, shall take the Hotel Parcel or the Parking Lot Parcel, or part thereof, subject to the terms of this Agreement. Provided, however, notwithstanding anything to the contrary above, any mortgagee, or the successors or assigns of any mortgagee, who becomes owner of the Hotel Parcel or the Parking Lot Parcel, or part thereof, through foreclosure shall not be obligated to pay any fees or construct or complete any improvements, unless such owner desires to continue development of the Hotel Parcel or the Parking Lot Parcel consistent with this

Agreement and the applicable land use entitlements, in which case the owner by foreclosure shall assume the obligations of the Parker Family hereunder in a form acceptable to the City.

E. The foregoing limitation on mortgagees and owners by foreclosure shall not restrict the City's ability to specifically enforce against such mortgagees or owners by foreclosure any dedication requirements under this Agreement or under any conditions of any other land use entitlements or approvals related to the Hotel Parcel or the Parking Lot Parcel.

16. State or Federal Law and Regulations. The Parker Family acknowledges that applications for development permits may be subject to other agency applications, review, permitting, and applicable fees. In the event state or federal law or regulations enacted after the Effective Date prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans or permits approved or issued by the City, this Agreement shall be suspended or, with the Parker Family's written consent, modified or extended as necessary to comply with such laws or regulations. Promptly following the enactment of any such law or regulation, the Parker Family and the City shall meet and confer in good faith to determine the feasibility of any such modification, extension or suspension based on the effect such modification, extension or suspension would have on the purposes and intent of this Agreement and the cost to the Parker Family of constructing and completing development of the Hotel Parcel and the Parking Lot Parcel. In addition, the Parker Family shall have the right to challenge such law or regulation, and in the event such challenge is successful, this Agreement shall remain unmodified and in full force and effect.

17. No Waiver. No failure, delay, or omission by a party in exercising or asserting any right, power, or remedy hereunder shall impair such right, power, or remedy, and no failure, delay, or omission by a party occurring upon the other party's noncompliance with or failure to perform the terms and conditions of this Agreement shall be construed as a waiver thereof. A waiver by either party of any failure, delay or omission on the part of the other party shall not be construed as a waiver of any succeeding failure, delay, or omission of the same or other terms or conditions hereof.

18. Force Majeure. In the event any party to this Agreement is unable to perform or fulfill any of the terms or conditions of this Agreement on account of acts of God, enemy action, war, strikes, walk outs, riots, governmental actions or restrictions, administrative appeals or legal actions, judicial orders, third-party actions, floods, earthquakes, fire, casualties, or similar bases for excused performance which is not within the reasonable control of the party to be excused, the party obligated to so perform or prevented from performing thereby shall be excused from said performance until such time as said party shall no longer be prevented from performing on account of any of the foregoing reasons.

19. No Joint Venture or Partnership. Nothing contained herein or in any document executed in connection herewith shall be construed as making the City and the Parker Family joint venturers or partners.

20. Assignment, Assumption and Release. The rights and obligations of the Parker Family under this Agreement may be transferred or assigned, provided: (i) such transfer or assignment is made as part of a transfer, assignment, sale or long-term lease of the Hotel Parcel or the

Parking Lot Parcel and a concurrent transfer of rights to complete the development of the Hotel Parcel and the Parking Lot Parcel, and (ii) prior to such an assignment, the assignee executes and delivers to the City a written assumption of the Parker Family's obligations under this Agreement. Any such transfer or assignment shall be subject to the provisions of this Agreement. During the Term of this Agreement, any such assignee or transferee shall observe and perform all of the duties and obligations of the Parker Family contained in this Agreement as such duties and obligations pertain to the Hotel Parcel and the Parking Lot Parcel so transferred or assigned. The Parker Family shall give the City prompt written notice of any such transfer or assignment. The Parker Family may free itself from its obligations under this Agreement provided that the transferee or assignee expressly assumes such obligations and agrees to be bound by the terms and conditions of this Agreement with respect to the Hotel Parcel and the Parking Lot Parcel. Upon the full execution of the assumption and assignment agreement, the transferee or assignee shall thenceforth be deemed to be "the Parker Family" hereunder. Notwithstanding the foregoing, this Paragraph 20 shall not apply to any mortgagee who comes into possession of the Hotel Parcel or the Parking Lot Parcel, for any part thereof, by any means, whether pursuant to foreclosure or deed in lieu of foreclosure or otherwise.

21. Permitted Extensions by City. In addition to any extensions of time otherwise provided in this Agreement, the City, in its sole discretion and acting through its Community Development Director or his or her designee, may extend the time for performance by the Parker Family of any obligation hereunder. Any such extension shall not require an amendment to this Agreement, so long as such extension only involves the time for performance thereof and does not change the obligations to be performed by the Parker Family as a condition of such extension.

22. Notices. Any notice or communication required by this Agreement must be in writing and may be given either by personal service or registered or certified mail, return receipt requested. Any notice or communication personally served shall be deemed given and received on the date of personal service on the party noticed at the appropriate address designated below, and any notice or communication sent by registered or certified mail, return receipt requested, properly addressed to the appropriate address designated below, with postage prepaid, shall be deemed given and received on the date appearing on the signed return receipt. Any party hereto may at any time and from time to time, in the manner provided herein, designate any other address in substitution of the address to which such notice or communication shall be given. All such notices or communications shall be given to the parties at the addresses hereinafter set forth:

IF TO THE CITY:

Community Development Director  
City of Santa Barbara  
630 Garden Street  
Post Office Box 1990  
Santa Barbara, CA 93102

with copies to:

Santa Barbara City Attorney

740 State Street, Suite 201  
Santa Barbara, CA 93101

IF TO THE PARKER FAMILY:

American Tradition, LLC  
800 Miramonte Drive, Suite 350  
Santa Barbara, CA 93109  
Attn: Eli Parker and Ashley Parker Snider

with copies to:

Mullen & Henzell L.L.P.  
112 East Victoria Street  
Santa Barbara, CA 93101  
Attn: Graham Lyons and J. Robert Andrews

23. Obligations of the Parker Family. As a condition of developing the Hotel Parcel, the Parker Family shall have the following affirmative obligation(s) for the benefit of the City:

23.1 Annual Payment of Maintenance Assessment. Payment of all annual assessments provided for in the Assessment Resolution (as that term is defined in Section 4.2 of Development Agreement No. 1) that have been due and payable from the effective date of the Development Agreement No. 1 through the Effective Date of this Agreement.

24. Enforceability. Except as otherwise provided herein, the rights of the parties under this Agreement shall be enforceable notwithstanding any change subsequent to the Effective Date in any applicable general plan, specific plan, local coastal plan, municipal ordinance, or building, zoning, subdivision or other land use ordinance or regulation.

25. No Waiver. No failure, delay, or omission by a party in exercising or asserting any right, power, or remedy hereunder shall impair such right, power, or remedy, and no failure, delay, or omission by a party occurring upon the other party's noncompliance with or failure to perform the terms and conditions of this Agreement shall be construed as a waiver thereof. A waiver by either party of any failure, delay or omission on the part of the other party shall not be construed as a waiver of any succeeding failure, delay, or omission of the same or other terms or conditions hereof.

26. Annual Reviews. As required by California Government Code § 65865.1 and any City procedures adopted pursuant thereto, the City's Public Works Director and Community Development Director shall review the Parker Family's performance pursuant to the terms of this Agreement at least once every twelve (12) months throughout the Term of this Agreement.

27. Definitions.

Amended Specific Plan. That certain amended specific plan approved and adopted by the Santa Barbara City Council on or about March 22, 1994 thereby amending the Park Plaza Specific Plan and affecting the real property located at 325-433 East Cabrillo Boulevard and 33 West Montecito Street, as described in more detail on Redevelopment Parcel Map 95-20,587 as Parcels 1, 2, and 3 (and recorded in the Official Records of Santa Barbara County on August 9, 1996 in Book 51, pp. 91-96), approving various permits for the affected properties and amending the zoning designation for the affected real property to HRC-2, S-D-3, SP-1 Hotel and Related Commerce 2 with Coastal Overlay Zone, Specific Plan No. 1 and General Plan designation of Open Space, Parking and Buffer/Stream for a proposed public/private project to be jointly developed by the Redevelopment Agency of the City and the Parker Family, consisting of a 150-room luxury hotel on the 3-acre Hotel Parcel, a 100-bed hostel, and an approximately 10-acre public park to be known as Chase Palm Park.

Conditions of Approval. Those certain conditions of approval imposed by the City: (a) on development of the Hotel, as set forth in Section 3, Phase II (Construction of Hotel) of Ordinance No. 4920; and (b) on development of the parking lot, as set forth in Planning Commission Resolution No. 032-07.

Development Agreement No. 1. That certain Development Agreement entered into by and between American Tradition G.P. and the City of Santa Barbara dated August 2, 1996 and recorded in the Official Records of the County of Santa Barbara as Instrument No. 96-047998.

Development Approvals. Those certain development approvals related to the Hotel adopted by the City through City Council Resolution No. 020-94: (a) incorporating the modifications and the additional conditions required by the California Coastal Commission for development of the Hotel into the Specific Plan No. 1; (b) granting development plan approvals for the Hotel; and (c) making the findings required by the City's Zoning Ordinance (Title 28 of the Santa Barbara Municipal Code) and the California Environmental Quality Act ("CEQA"); Ordinance No. 4920; and Resolution No. 032-07.

Existing City Laws. The City's general plan, local coastal plan, ordinances, resolutions, codes, rules, regulations, and official policies governing the permitted uses of land, density and intensity of use, maximum height, bulk, size, scale, design, location and construction standards and specifications applicable to this Agreement, the Hotel, the Hotel Building Permits, the Public Works Permits, the Conditions of Approval, and the Hotel Parcel and Parking Lot Parcel in effect as of the Effective Date without regard to any amendments or modifications thereto that become effective after the Effective Date.

FEIR. That certain Final Environmental Impact Report (ENV92-0107; SCH#92091038) and its Addendum dated June 8, 1995 adopted by the City of Santa Barbara pursuant to Ordinance No. 4920 adopted and approved by the Santa Barbara City Council on August 15, 1996.

Fess Parker Hotel Parcel. That certain real property located at 633 East Cabrillo Boulevard, which is presently developed with the Fess Parker Hotel and related improvements.

Hotel Building Permits. Those certain building permits related to the construction and occupancy of the Hotel, including without limitation those certain permits issued by the City of Santa Barbara authorizing construction of the Hotel and certain associated works of improvement: (i) BLD2007-00999 (issued 9/20/07), (ii) BLD2007-02146 (issued 9/20/07), (iii) BLD2007-00810 (issued 9/21/07 and thereafter amended and re-issued 8/12/08), (iv) BLD2007-2406 (issued 10/26/07), (v) BLD2007-2737 (issued 12/7/07), (vi) BLD2007-2871 (issued 1/9/08), (vii) BLD2007-01318 (issued 5/20/08), (viii) BLD2007-02954 (issued 7/2/08), (ix) BLD2009-00414 (issued 2/25/09).

Hotel. That certain 150-room ~~luxury~~ hotel and associated improvements located on the Hotel Parcel and Parking Lot Parcel approved by the City pursuant to the Hotel Building Permits, Development Agreement No. 1, Ordinance No. 4920 and Parking Lot Parcel Approvals.

Hostel. That certain 100-bed hostel located at 12 East Montecito Street approved by the City of Santa Barbara pursuant to Coastal Development Permit CDP No. 95-0016 and subsequently issued approvals, modifications, and permits related thereto.

Hostel Conditions of Approval. Those certain conditions of approval for the Hotel set forth in: (1) Recital F and Recital I of Development Agreement No. 1 requiring the Hostel Property be used solely and exclusively for the construction, operation and maintenance of a 100-bed hostel; and (2) Section 3, Phase II (Construction of Hotel), Condition #F4 of Ordinance No. 4920 requiring issuance of a Certificate of Occupancy for the Hostel as a pre-requisite for issuance of a Certificate of Occupancy for the Hotel.

Hostel Property. That certain real property located at 12 East Montecito Street acquired by The Rodney James Shull Memorial Foundation, a California nonprofit public benefit corporation, by that certain Gift Deed recorded in the Official Records of the County of Santa Barbara on December 30, 1998 as Instrument No. 98-102124, in accordance with and in satisfaction of Condition of Approval No. 4 of Part II B of Planning Commission Resolution 027-95, approved by the City of Santa Barbara Planning Commission on April 20, 1995.

Ordinance No. 4920. That certain ordinance of the City of Santa Barbara approved by the City Council on or about August 15, 1996, which approved the following: Development Agreement No.1; certain mitigation measures related to the Hotel; the FEIR and the necessary findings to approve and adopt the FEIR; the necessary findings to approve Development Agreement No. 1 and the Hotel pursuant to the Santa Barbara Municipal Code Chapters 28.22, 28.45, and 28.87; and the Conditions of Approval.

Parking Lot Parcel Approvals. Those certain permits and approvals issued by the City of Santa Barbara related to the construction and development of certain improvements and uses on the Parking Lot Parcel, including without limitation: Coastal Development Permit and a Conditional Use Permit approved through Resolution Number 032-07 adopted by on or about August 30, 2007 by the City Planning Commission; and building permit (BLD2007-02954) issued on or about July 2, 2008. Unless expressly stated otherwise in this Agreement, the Parking Lot Parcel Approvals constitute part of the Development Approvals.

Public Works Permits. Those certain permits issued by the City of Santa Barbara Public Works Department related to the development of the Hotel, including without limitation PBW 2008-0729 (issued 5/20/08).

28. City's Authority to Enter into Agreement. California Government Code §§ 65864-65869.5 authorize local agencies to enter into a binding development agreement (as such agreements are defined by California Government Code §§ 65864-65869.5) with a property owner for the development of property in order to give assurances to the property owner and the city that upon approval, a development project can proceed in accordance with existing land development policies, rules and regulations. Government Code § 65869 specifically provides that a statutory development agreement such as this Agreement need not be approved by the state Coastal Commission for any development project located in an area for which a local coastal program is required so long as the required local coastal program has been certified pursuant to the Coastal Act by the Coastal Commission prior to the date the development agreement is approved by the local agency. The City of Santa Barbara's Local Coastal Program was certified by the state Coastal Commission on November 12, 1986 and duly amended from time to time since then. Under the Santa Barbara City Charter, the City exercises control over municipal affairs, including the land development process, and has the authority to enter into development agreements for purposes consistent with the public health, safety and general welfare. On October 17, 1989, the City Council adopted Resolution No. 89-120 establishing procedures for considering statutory development agreements, which resolution sets forth in Recitals A-D thereof the City authority and public purpose of such agreements. Based on the foregoing, the City is authorized to enter into this Agreement.

IN WITNESS WHEREOF, this Agreement was executed by the parties thereto as of the Execution Date.

CITY OF SANTA BARBARA

PARKER FAMILY

By: \_\_\_\_\_  
City Administrator

American Tradition, LLC  
a California limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO CONTENT:

---

Community Development Director

APPROVED AS TO FORM

---

Public Works Director

APPROVED AS TO FORM

---

City Attorney

G:\10069\0006\DOCS\IU3051.DOC

**LEGAL DESCRIPTION**

Real property in the City of Santa Barbara, County of Santa Barbara, State of California, described as follows:

**PARCEL A:**

PARCEL 1 OF PARCEL MAP NO. 20,587, IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED ON 8-9-1996, IN BOOK 51, PAGES 91 THROUGH 96, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

**PARCEL B:**

AN EASEMENT FOR INGRESS AND EGRESS LYING WITHIN PARCEL TWO OF MAP NO. 20,587 AS SAME IS SHOWN ON MAP NO. 20,587 ABOVE REFERRED TO AS "20' EASEMENT FOR INGRESS AND EGRESS PURPOSES IN FAVOR OF PARCEL ONE PER THIS MAP."

**PARCEL C:**

AN EASEMENT FOR PUBLIC AND PRIVATE UTILITIES AND PRIVATE DRAINAGE LYING WITHIN PARCEL THREE OF MAP NO. 20,587 AS SAME IS SHOWN ON MAP NO. 20,587 ABOVE REFERRED TO AS "EASEMENT FOR PUBLIC AND PRIVATE UTILITIES AND PRIVATE DRAINAGE IN FAVOR OF PARCEL ONE PER THIS MAP."

PARCEL MAP NO. 20,587

IN THE CITY OF SANTA BARBARA, STATE OF CALIFORNIA

OWNER'S STATEMENT. THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA AND AMERICAN TRADITION STATES THAT THEY ARE THE OWNERS OF, OR HAVE AN INTEREST IN, THE LAND INCLUDED WITHIN THE REDEVELOPMENT SHOWN ON THIS MAP...

THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, CALIFORNIA, A PUBLIC BODY CORPORATE AND POLITICAL...

Harriet Miller, Chairperson; David G. Davis, Asst. Secretary. Attest.

American Tradition, A California General Partnership, represented by Fess Elshar Parker, Jr., Trustee.

Trustees of the Parker Family Trust, dated June 5, 1970, General Partner: Fess Elshar Parker III, General Partner.

Ashley Allen Rinehart, General Partner; State of California, County of Santa Barbara, s.s.

On August 6, 1996, before me, David S. Guzman, a Notary Public in and for said county and state, personally appeared...

Notary Public in and for said state of California, County of Santa Barbara, s.s. My Commission Expires 10/1/97.

On July 31, 1996, before me, Joyce L. Carpenter, a Notary Public in and for said county and state, personally appeared...

Notary Public in and for said state of California, County of Santa Barbara, s.s. My Commission Expires 5-5-2000.

FOR REDEVELOPMENT PURPOSES PURSUANT TO THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW BEING A REDEVELOPMENT OF PORTIONS OF BLOCKS 320, 321, 345, 345 1/2, 345 1/4, 335, 336, AND 335 1/2...

JULY, 1996

Penfield & Smith, Engineers - Surveyors, 111 E. Victoria St., Santa Barbara, CA 93101.

STATE OF CALIFORNIA, COUNTY OF SANTA BARBARA, s.s. On July 31, 1996, before me, Joyce L. Carpenter, a Notary Public in and for said county and state, personally appeared...

Notary Public in and for said state of California, County of Santa Barbara, s.s. My Commission Expires 5-5-2000.

Recorder's Statement: Filed this 9th day of August, 1996, at 1:00 a.m. in book 51 of parcel maps, at pages 91 through 96.

At the request of Penfield & Smith Engineers - Surveyors, Kenneth A. Pettit, County Clerk-Recorder, Santa Barbara County, California.

Clerk of the Board Statement: I, Kent M. Taylor, Clerk of the Board of Supervisors of Santa Barbara County, California, hereby state pursuant to Government Code Section 66464...

Notary Public in and for said state of California, County of Santa Barbara, s.s. My Commission Expires 3-8-96.

Surveyor's Statement: This map was prepared by me or under my direction and is based upon field survey in conformance with the requirements of the subdivision map act and local ordinance...



Ken Kuencer, License No. 907.

REDEVELOPMENT AGENCY STATEMENT

I HEREBY STATE THAT THIS MAP WAS DULY ACCEPTED AND APPROVED BY THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA BARBARA, CALIFORNIA, ON JULY 11, 1996...

Dated August 6, 1996.

Sandra E. LeBaron, Executive Director, The City of Santa Barbara.

NOTE

Pursuant to Sections 66699.20 1/2 of the Government Code (Subdivision Map Act) this map represents a merger and resubdivision without reversion as indicated hereon...

CITY ENGINEER STATEMENT

This map conforms with requirements of Section 66428 of the Subdivision Map Act and local ordinances.

Dated: August 1, 1996.



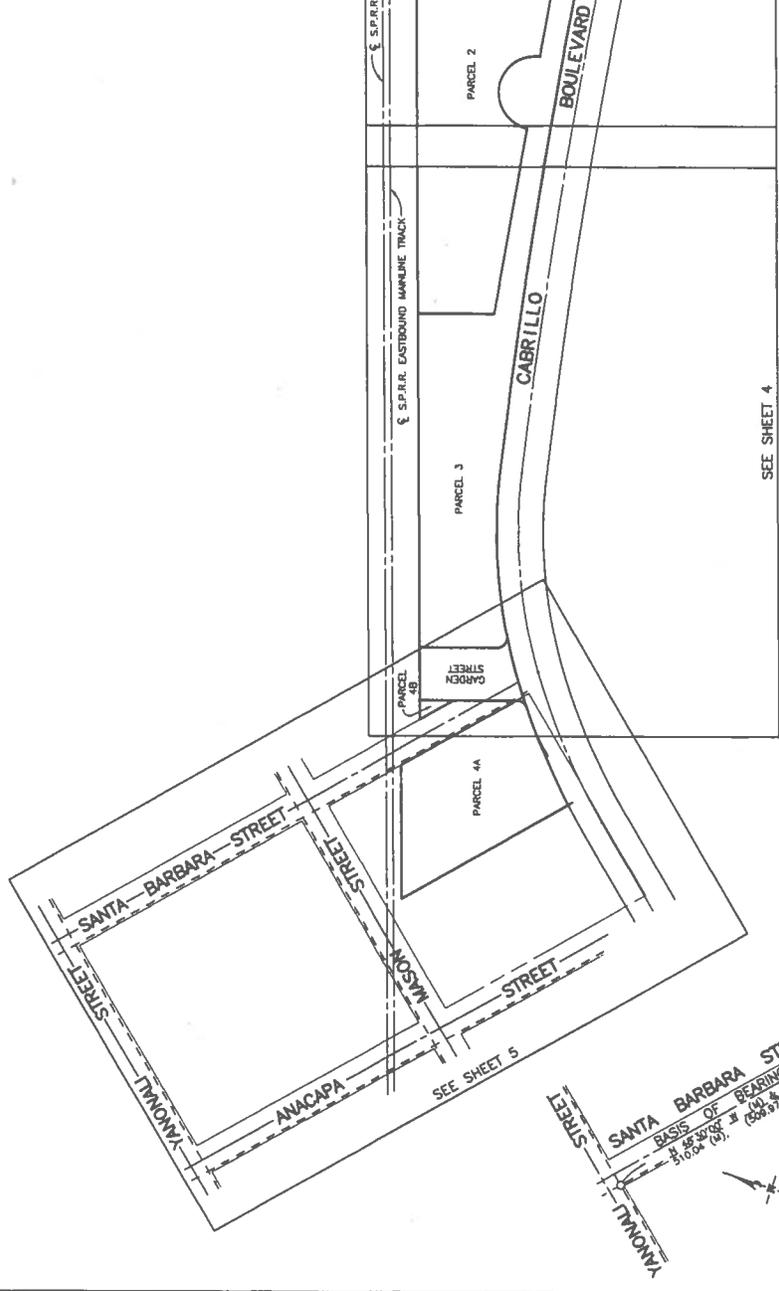
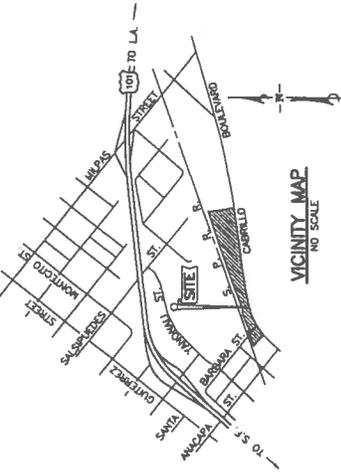
Pat Kelly, City Engineer, R.C.E. 27077, Exp. March 30, 1997.

CITY COUNCIL STATEMENT

I HEREBY STATE THAT THIS MAP WAS DULY ADOPTED AND ACCEPTED BY THE CITY COUNCIL OF THE CITY OF SANTA BARBARA, CALIFORNIA, ON JULY 31, 1996...

Dated August 6, 1996.

Lily Rossi, Chief Deputy City Clerk, The City of Santa Barbara.



# PARCEL MAP NO. 20,587

IN THE CITY OF SANTA BARBARA, STATE OF CALIFORNIA  
 PURSUANT TO THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW  
 FOR REDEVELOPMENT PURPOSES  
 BEING A REDEVELOPMENT OF PORTIONS OF CITY BLOCKS 320, 321, 345, 345A,  
 345B, 335, 336, AND 336A, AND VACATED PORTIONS OF GARDEN STREET,  
 ANACAPA STREET, YONAHAI STREET, MAZON STREET, AND PORTIONS OF  
 AND CARRIPIENA STREET IN CITY OF SANTA BARBARA, AND PORTIONS OF BLOCKS  
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 994, 995, 996, 997, 998, 999, 1000.

**NOTES**  
 SEE SHEETS 3, 4 & 5 FOR LOTS AND EXTERIOR  
 BOUNDARY DIMENSIONING.  
 SEE SHEET 6 FOR INFORMATIONAL MAP SHEET.  
 THE DIMENSIONS SHOWN HEREON AS "GRTS" ARE  
 GROUND LEVEL DISTANCES PER R1. THE CALIFORNIA  
 COORDINATE SYSTEM, ZONE 5, DISTANCES AS SHOWN  
 ON R1 HAVE BEEN MULTIPLIED BY 1.00006339.

- LEGEND**
- SET 1/2" PIPE WITH PLASTIC PLUG MARKED "L.S. 5817"
  - ⊙ FOUND 1/2" PIPE WITH TAG MARKED "L.S. 3873" PER R2
  - ⊙ FOUND 1/2" PIPE WITH TAG MARKED "L.S. 3873" PER R2
  - FOUND MONUMENT AS NOTED
  - R1 RECORD PER STATE HIGHWAY MAP BOOK 2 PAGES 170 - 185
  - R2 RECORD PER BOOK 31 PAGE 4 OF PARCEL MAPS
  - R3 RECORD PER BOOK 114 PAGE 22 OF RECORDS OF SURVEYS
  - R4 RECORD PER BOOK 118 PAGE 11 OF RECORDS OF SURVEYS
  - R5 RECORD PER CITY BLOCK BOOK (PENFIELD & SMITH PRIVATE RECORDS)
  - DD1 RECORD PER INSTRUMENT NUMBER 92-104384 OFFICIAL RECORDS
  - C.A. COMPASS ADJUST
  - FTC FROM TRUE CORNER
  - L&T LEAD AND TAG MARKED "L.S. 5817"

**BASIS OF BEARINGS**  
 THE BASIS OF BEARINGS FOR THIS SURVEY IS  
 N 48°30'00" W ALONG THE "CITY MONUMENT LINE" OF  
 SANTA BARBARA STREET AS ESTABLISHED BETWEEN FOUND  
 MONUMENTS AT THE INTERSECTION OF THE  
 SAID LINE WITH THOSE OF YONAHAI AND MASON STREETS  
 AS SHOWN HEREON.

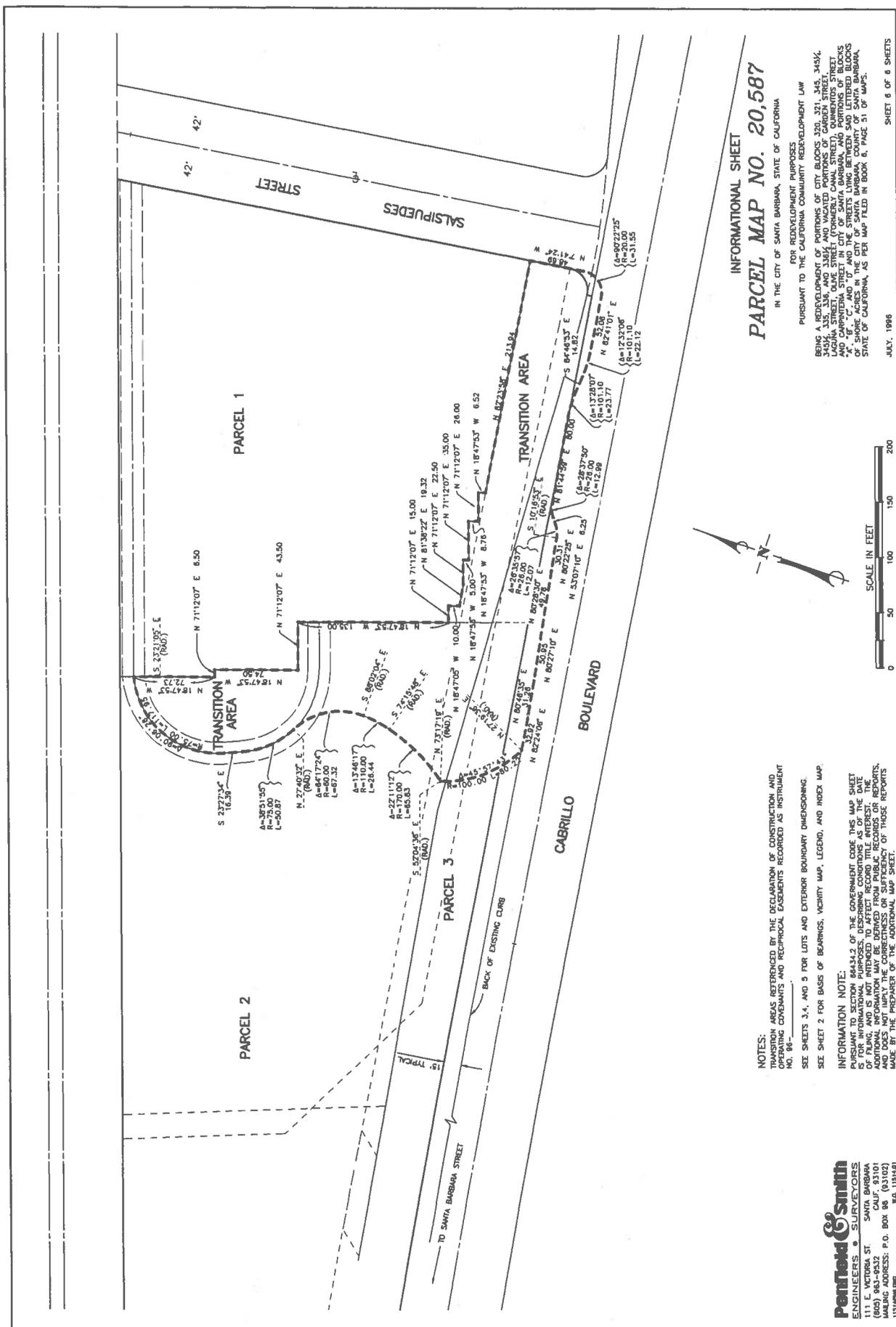
SCALE: 1" = 150'

**Penfield & Smith**  
 ENGINEERS & SURVEYORS  
 111 E. VICTORIA ST.  
 SANTA BARBARA, CALIF. 93101  
 (805) 963-9932  
 MAILING ADDRESS: P.O. BOX 98 (93102)  
 11514942222









INFORMATIONAL SHEET  
**PARCEL MAP NO. 20,587**

IN THE CITY OF SANTA BARBARA, STATE OF CALIFORNIA  
 PURSUANT TO THE CALIFORNIA COMMUNITY REDEVELOPMENT LAW  
 FOR REDEVELOPMENT PURPOSES  
 BEING A REDEVELOPMENT OF PORTIONS OF CITY BLOCKS 320, 321, 343, 343K, 343L, 338, 33A, AND 33B, AND VACATED PORTIONS OF GARDEN STREET, LAGUNA STREET, OLIVE STREET (FORMERLY CALLED SAN JUAN), AND PORTIONS OF BLOCKS 343, 343K, 338, 33A, AND 33B, AND THE STREETS LYING BETWEEN SAID LETTERED BLOCKS OF SHORE ACRES IN THE CITY OF SANTA BARBARA, COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 14, PAGE 31, OF MAPS.

JULY, 1996  
 SHEET 6 OF 8 SHEETS

NOTES:  
 1. ALL DIMENSIONS ARE REFERENCED BY THE DECLARATION OF CONSTRUCTION AND OPERATING GOVERNMENTS AND REPROVAL EASEMENTS RECORDED AS INSTRUMENT NO. 94-\_\_\_\_\_  
 2. SEE SHEETS 3, 4, AND 5 FOR LOTS AND EXTERIOR BOUNDARY DIMENSIONING.  
 3. SEE SHEET 2 FOR BASIS OF BEARINGS, VICINITY MAP, LEGEND, AND INDEX MAP.  
 INFORMATION NOTE:  
 4. THIS PARCEL MAP IS PREPARED IN ACCORDANCE WITH SECTION 8434.2 OF THE GOVERNMENT CODE THIS MAP SHEET IS FOR INFORMATIONAL PURPOSES, DESCRIBING CONDITIONS AS OF THE DATE OF FILING, AND IS NOT INTENDED TO AFFECT RECORD TITLE INTERESTS. THE PREPARER OF THIS MAP HAS REVIEWED THE RECORD TITLE REPORTS, AND DOES NOT IMPLY THE CORRECTNESS OR SUFFICIENCY OF THOSE REPORTS. MADE BY THE PREPARER OF THE ADDITIONAL MAP SHEET.

**Penfield & Smith**  
 ENGINEERS & SURVEYORS  
 111 E. VICTORIA ST.  
 SANTA BARBARA, CALIFORNIA 93101  
 MAILING ADDRESS: P.O. BOX 98 (93102)  
 113 (4/96) (2/96)  
 W.A. 11814.01

### Legal Description

Those portions of Block 334, Block 335, Olive Street (formerly Canal Street), and Carpinteria Street, in the City of Santa Barbara, County of Santa Barbara, State of California, according to the official map thereof, described as a whole as follows:

Beginning at the northwest corner of the parcel, hereinafter to be referred to as Parcel One, described in the Corrected Certificate of Compliance recorded in the office of the County Recorder of said County June 9, 1999, as Instrument No. 99-047105 of Official Records, said corner being at the westerly terminus of that certain course recited as having a bearing and distance of "South 71°12'17" West 174.80 feet" in said document;

Thence, 1st, along the northerly line of said Parcel One, North 71°12'17" East, 450.35 feet to the northeast corner of said Parcel One, said corner being in the southwesterly line of Olive Street, 60.00 feet wide, now abandoned, and being the northwest corner of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037729 of Official Records;

Thence, 2nd, along the northerly line of said last-mentioned parcel, North 71°12'17" East, 69.11 feet to the northeasterly line of Olive Street and the northwest corner of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037731 of Official Records;

Thence, 3rd, along the northerly line of said last-mentioned parcel, North 71°12'17" East, 64.79 feet to the northeast corner of said parcel and the northwest corner of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037733 of Official Records;

Thence, 4th, along the northerly line of said last-mentioned parcel, North 71°12'17" East 65.33 feet to the northernmost corner of said parcel;

Thence, 5th, along the northeasterly line of said parcel, South 48°32'39" East, 7.23 feet to a point in the northwesterly line of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037735 of Official Records, said last-mentioned parcel to be hereinafter referred to as Parcel Nine, said point also being in the northwesterly line of Carpinteria Street, 60.00 feet wide, now abandoned;

Thence, 6th, along said northwesterly line of said Parcel Nine, North 41°26'16" East, 331.29 feet to the northernmost corner of said Parcel Nine and the beginning of a non tangent curve concave southwesterly, having a radius of 558.00 feet and a radial center which bears South 49°59'47" West;

Thence, 7th, southeasterly, along the northeasterly line of said Parcel Nine and along said curve, through a central angle of 06°17'43", an arc distance of 61.31 feet to the southeast corner of said Parcel Nine and the southeasterly line of said Carpinteria Street;

Thence, 8th, along the northeasterly prolongation of said southeasterly line, and along the northwesterly line of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037736 of Official Records, North 41°26'16" East, 34.77 feet to northernmost corner of said parcel and the beginning of a non tangent curve concave southwesterly, having a radius of 600.00 feet and a radial center which bears South 53°46'33" West;

Thence, 9th, southeasterly, along the northeasterly line of said parcel and along said curve, through a central angle of 18°37'22", an arc distance of 195.02 feet to the southeast corner of said parcel and the northerly line of the Union Pacific Railroad (formerly Southern Pacific Railroad);

Thence, 10th, along said railroad right of way, and the southerly line of said parcel, South 71°12'17" West, 363.49 feet to the westernmost corner of said parcel and the southerly line of the hereinabove referenced Parcel Nine;

Thence, 11th, along said southerly line and continuing along said railroad right of way, South 71°12'17" West, 120.86 feet to an angle point in the southerly line of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder May 27, 1998 as Instrument No. 98-037730 of Official Records;

Thence, 12th, along said southerly line, and continuing along said right of way, South 71°12'17" West, 39.77 feet to the southeasterly corner of the parcel described in the Certificate of Compliance recorded in the office of said County Recorder June 9, 1999 as Instrument No. 99-047106 of Official Records;

Thence, 13th, along the southerly line of said last-mentioned parcel, South 71°12'17" West, 493.21 feet to the southwest corner of said parcel;

Thence, 14th, along the westerly line of said parcel, North 18°47'43" West, 62.00 feet to the southwest corner of the hereinabove referenced Parcel One;

Thence, 15th, along the westerly line of said Parcel One, North 18°47'43" West, 13.01 feet to the point of beginning.

Containing 2.42 acres, more or less.

Prepared by:

Kenneth S. Hughes  
PLS 6170  
License expiration  
date: 3/31/10



*Kenneth S. Hughes*  
APRIL 24, 2008

Page 2 of 2

LINE	BEARING	DISTANCE
L1	N 71°12'17" E	69.11
L2	N 71°12'17" E	64.79
L3	N 71°12'17" E	65.33
L4	S 48°32'39" E	7.23
L5	N 41°26'16" E	34.77
L6	S 71°12'17" W	120.86
L7	S 71°12'17" W	39.77
L8	N 18°47'43" W	62.00
L9	N 18°47'43" W	13.01

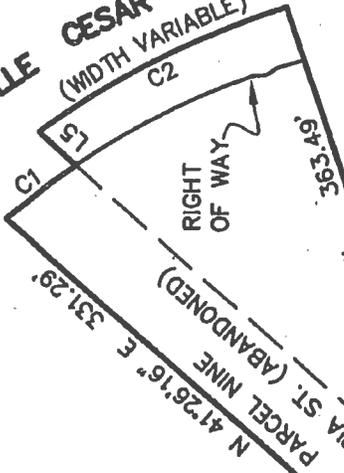
CURVE	DELTA	RADIUS	LENGTH
C1	617°43"	558.00	61.31
C2	1837°22"	600.00	195.02

APN  
017-113-022

APN  
017-113-023

APN  
017-113-019

CALLE CESAR CHAVEZ  
(WIDTH VARIABLE)

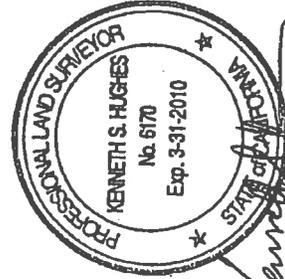
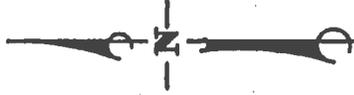


OLIVE ST.  
(ABANDONED)

UNION PACIFIC RAILROAD

MERGED PARCEL  
AREA=2.42 ACRES  
MORE OR LESS

POINT OF BEGINNING  
FOR LEGAL  
DESCRIPTION



*Kenneth S. Hughes*  
APRIL 24, 2008

**EXHIBIT 'B'**  
VOLUNTARY MERGER  
APN 017-113-020

CITY OF SANTA BARBARA  
STATE OF CALIFORNIA

SCALE: 1"=120' APRIL 24, 2008



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W.O. 17753.04 17753VOL-MERGER.DWG

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

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA AMENDING CHAPTER 28.95 OF TITLE 28 OF THE SANTA BARBARA MUNICIPAL CODE BY ADDING A PROVISION RELATING TO THE DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SANTA BARBARA AND AMERICAN TRADITION, LLC.

WHEREAS, the Council of the City of Santa Barbara has approved by ordinance a Development Agreement between the City of Santa Barbara and American Tradition, LLC (the "Development Agreement") regarding the development of a hotel at the corner of Cabrillo Boulevard and Calle Cesar Chavez (the "Hotel Parcel"); and

WHEREAS, the Development Agreement includes provisions regarding the potential transfer of existing development rights from the Hotel Parcel to other property within the City; and

WHEREAS, the Council of the City of Santa Barbara wants to resolve any potential conflict between the provisions of Chapter 28.95 of the Santa Barbara Municipal Code relating to the transfer of existing development rights and the provisions of the Development Agreement.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SANTA BARBARA DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1. The City Council finds and determines with respect to the Project as follows:

- A. CEQA FINDINGS. The following environmental findings and determinations are made pursuant to and in accordance with the California Environmental Quality Act (Public Resources Code, Division 13):
  1. The City Council has reviewed and considered the Addendum, dated January 14, 2016, to the Certified Final Project Environmental Impact Report (EIR) SCH#92091038 along with the Certified EIR and earlier EIR Addenda of June 1995, November 1996, and August 2007, which together constitute environmental analysis for the current project under California Environmental Quality Act (CEQA) provisions; and
  2. The City Council finds that the EIR Addendum dated January 14, 2016 has been completed in compliance with CEQA and reflects the Council's independent judgment and analysis.

SECTION 2. Chapter 28.95 of Title 28 of the Santa Barbara Municipal Code is hereby amended to add Section 28.95.115 to read as follows:

**28.95.115 Waterfront Hotel Development Agreement.**

In the case of any conflict between the terms of this Chapter 28.95 and the provisions of the Development Agreement between the City of Santa Barbara and American Tradition, LLC dated \_\_\_\_\_ (the "Development Agreement"), the provisions of the Development Agreement shall control.



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 19, 2016

**TO:** Mayor and Councilmembers

**FROM:** Administration Division, Fire Department

**SUBJECT:** 9-1-1 Emergency Dispatch And Cell Phone Call Routing

**RECOMMENDATION:**

That Council receive a presentation and consider support of Assembly Bill 1564 (Williams), 9-1-1 Emergency Response – Wireless Routing Optimization.

**DISCUSSION:**

Fire Chief Pat McElroy will be presenting a history of the 9-1-1 system in California and Santa Barbara and how it has been challenged by the rapid proliferation of cellphones.

Assembly Bill 1564 addresses routing delays by specifying that a call from a cell device may be routed to a local Public Safety Answering Point (PSAP) other than the California Highway Patrol (CHP), if:

- The call originates from a location other than a freeway,
- The alternate routing is economically and technologically feasible,
- The alternate routing will benefit public safety, and
- It will result in 9-1-1 calls being routed to the responsible responding jurisdiction that covers the location of the call origination point.

**PREPARED BY:** Patrick J. McElroy, Fire Chief

**SUBMITTED BY:** Patrick J. McElroy, Fire Chief

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



# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** April 19, 2016  
**TO:** Mayor and Councilmembers  
**FROM:** City Administrator's Office  
**SUBJECT:** Conference With Labor Negotiator

**RECOMMENDATION:**

That Council hold a closed session pursuant to the authority of Government Code Section 54957.6 to consider instructions to City negotiator Kristine Schmidt, Administrative Services Director, regarding negotiations with the Firefighters Association and Police Officers Association.

**SCHEDULING:** Duration, 30 minutes; anytime  
**REPORT:** None anticipated  
**SUBMITTED BY:** Kristine Schmidt, Administrative Services Director  
**APPROVED BY:** City Administrator's Office