



# 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)