

**CITY OF SANTA BARBARA
CITY COUNCIL**

Marty Blum

Mayor

Dale Francisco

Mayor Pro Tempore

Das Williams

Ordinance Committee Chair

Roger L. Horton

Finance Committee Chair

Iya G. Falcone

Grant House

Helene Schneider



James L. Armstrong

City Administrator

Stephen P. Wiley

City Attorney

City Hall

735 Anacapa Street

<http://www.SantaBarbaraCA.gov>

**APRIL 28, 2009
AGENDA**

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

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

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

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

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

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

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

ORDER OF BUSINESS

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

2:00 p.m. - City Council Meeting

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

1. Subject: March 31, 2009, Investment Report And March 31, 2009, Fiscal Agent Report

Recommendation: That the Finance Committee recommend that Council:

A. Accept the March 31, 2009, Investment Report; and

B. Accept the March 31, 2009, Fiscal Agent Report.

(See Council Agenda Item No. 2)

2. Subject: Fiscal Year 2010 Recommended Operating And Capital Budget

Recommendation: That the Finance Committee hear presentations covering the General Fund revenue estimates and growth rate assumptions, an update to the General Fund multi-year forecast, and the status of reserve balances for all City funds in connection with the review of the Fiscal Year 2010 Recommended Budget.

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

CHANGES TO THE AGENDA

PUBLIC COMMENT

CONSENT CALENDAR

1. **Subject: Minutes**

Recommendation: That Council waive the reading and approve the minutes of the regular meetings of April 7, and April 14, 2009.

2. **Subject: March 31, 2009, Investment Report And March 31, 2009, Fiscal Agent Report (260.02)**

Recommendation: That Council:

- A. Accept the March 31, 2009, Investment Report; and
- B. Accept the March 31, 2009, Fiscal Agent Report.

3. **Subject: Adoption Of Ordinance For Attornment Agreement With H. Oliver Dixon, Inc., And Business First Bank (330.04)**

Recommendation: That Council adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Approving an Attornment Agreement Between the City of Santa Barbara, as Lessor, H. Oliver Dixon, Inc., as Lessee, and Business First Bank, a Division of Heritage Oaks Bank, as Lender, Pertaining to Lease Agreement No. 21,810 Dated November 1, 2005.

CONSENT CALENDAR (CONT'D)

4. **Subject: Resolution Authorizing Financial Assistance Agreements With The State Water Resources Control Board In The Amount Of \$3,941,585 For Non-Point Source Pollution Treatment Projects (150.02)**

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing Entering into Financial Assistance Agreements with the State Water Resources Control Board and Designating a Representative to Sign the Financial Assistance Agreements, and any Amendments Thereto.

5. **Subject: Professional Services Contract Amendment With The University Of California, Santa Barbara For Microbial Source Tracking (530.03)**

Recommendation: That Council authorize the Parks and Recreation Director to amend a professional services agreement with the University of California, Santa Barbara (UCSB) to increase the scope of work in order to conduct additional microbial source tracking in support of the Creeks Division's Laguna Channel Watershed and Water Quality Improvement Feasibility Study, and to increase amount of compensation by \$26,201 from Measure B funds, bringing the total contract amount to \$76,193.

6. **Subject: Increase Professional Services Change Order Authority For The Santa Barbara Airport Consolidated Rental Car Project (560.04)**

Recommendation: That Council approve additional Change Order expenditure authority for Professional Services Contract No. 22,857 with Earth Systems Pacific, due to the discovery of an underground storage tank, for the Santa Barbara Airport Consolidated Rental Car Project, in the amount of \$37,500, for a total change order expenditure authority of \$43,501.28.

7. **Subject: Challenge Cost Share Agreement Between The City Of Santa Barbara, County Of Santa Barbara, And United States Department Of Agriculture Forest Service, Los Padres National Forest (150.01)**

Recommendation: That Council authorize the Parks and Recreation Director to enter into a Challenge Cost Share Agreement for \$10,000 with the County of Santa Barbara (County) and the United States Department of Agriculture Forest Service, Los Padres National Forest (Forest Service) for implementation of the Front Country Trails Management Recommendations.

CONSENT CALENDAR (CONT'D)

8. Subject: Community Promotion Contract With Semana Nautica (230.02)

Recommendation: That Council authorize the Finance Director to execute a community promotion contract for Fiscal Year 2009 with Semana Nautica in the amount of \$3,182 for May 1, 2009, to August 31, 2009.

NOTICES

9. The City Clerk has on Thursday, April 23, 2009, 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.
10. Received a letter of resignation from Franklin Center Advisory Committee Member Dan La Berge; the vacancy will be part of the current City Advisory Group recruitment.

This concludes the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

ADMINISTRATIVE SERVICES DEPARTMENT

11. Subject: Possible Charter Amendments Affecting The Architectural Board Of Review, Harbor Commission, Park Commission And Recreation Commission, And Residency Requirements (110.01)

Recommendation: That Council:

- A. Discuss interest in possible charter amendments pertaining to the size and composition of the Architectural Board of Review, Harbor Commission, Park Commission and Recreation Commission; and residency requirements for boards and commissions; and
- B. Provide direction to staff on how to proceed.

PUBLIC HEARINGS

12. Subject: Appeal Of Planning Commission Decision For 1900 Lasuen Road, El Encanto Hotel (640.07)

Recommendation: That Council:

- A. Deny the appeal filed by Marc Chytilo, attorney for Jan and Johanna von Yurt, Robert and Elizabeth Leslie, and Farrokh and Sally Nazerian;
- B. Uphold the Planning Commission adoption of the Mitigated Negative Declaration and approval of the Modifications, Development Plans and Transfer of Existing Development Rights for the Revised Master Plan proposed at 1900 Lasuen Road (MST2007-00140); and
- C. Direct staff to prepare a Council Resolution documenting the decision of the City Council, making findings consistent with the Council decision, and specifying the conditions of approval, as amended by Council.

COUNCIL AND STAFF COMMUNICATIONS

COUNCILMEMBER COMMITTEE ASSIGNMENT REPORTS

CLOSED SESSIONS

13. Subject: Conference With Legal Counsel - Potential Litigation (160.03)

Recommendation: That Council hold a closed session to consider potential litigation pursuant to subsection (c) of section 54956.9 of the Government Code and take appropriate action as needed.

Scheduling: Duration, 15 minutes; anytime

Report: None anticipated

14. Subject: Conference With Labor Negotiator (440.05)

Recommendation: That Council hold a closed session, per Government Code Section 54957.6 to consider instructions to City negotiator Kristy Schmidt, Employee Relations Manager, regarding negotiations with the General Unit, Firefighters Association, Police Officers Association, and Police Management Association bargaining units.

Scheduling: Duration, 30 minutes; anytime

Report: None anticipated

ADJOURNMENT

CITY OF SANTA BARBARA
FINANCE COMMITTEE
SPECIAL MEETING AGENDA

DATE: April 28, 2009

TIME: 12:00 p.m.

PLACE: David Gebhard Public Meeting Room
630 Garden Street

Roger L. Horton, Chair

Helene Schneider

Iya Falcone

James L. Armstrong
City Administrator

Robert D. Peirson
Finance Director

ITEMS TO BE CONSIDERED:

- 1. Subject: March 31, 2009, Investment Report And March 31, 2009, Fiscal Agent Report**

Recommendation: That the Finance Committee recommend that Council:

- A. Accept the March 31, 2009, Investment Report; and
- B. Accept the March 31, 2009, Fiscal Agent Report.

(See Council Agenda Item No. 2)

- 2. Subject: Fiscal Year 2010 Recommended Operating And Capital Budget**

Recommendation: That the Finance Committee hear presentations covering the General Fund revenue estimates and growth rate assumptions, an update to the General Fund multi-year forecast, and the status of reserve balances for all City funds in connection with the review of the Fiscal Year 2010 Recommended Budget.



CITY OF SANTA BARBARA

FINANCE COMMITTEE AGENDA REPORT

AGENDA DATE: April 28, 2009
TO: Finance Committee
FROM: Administration Division, Finance Department
SUBJECT: Fiscal Year 2010 Recommended Operating And Capital Budget

RECOMMENDATION:

That the Finance Committee hear presentations covering the General Fund revenue estimates and growth rate assumptions, an update to the General Fund multi-year forecast, and the status of reserve balances for all City funds in connection with the review of the Fiscal Year 2010 Recommended Budget.

DISCUSSION:

On Tuesday, April 21, 2009, the Finance Committee approved the Committee's budget review schedule and topics in connection with the filing of the Fiscal Year 2010 Recommended Budget. The approved budget review schedule is attached to this report.

Today's meeting will include a discussion of General Fund revenue assumptions and projections used to develop the estimated revenues included in the fiscal year 2010 recommended budget; a review of the recently updated General Fund multi-year forecast; and a review of City wide reserve balances.

ATTACHMENT: Finance Committee Budget Review Schedule
PREPARED BY: Robert Samario, Assistant Finance Director
SUBMITTED BY: Robert D. Peirson, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Finance Committee Review Schedule
Fiscal Year 2010 Recommended Budget

Meeting Date and Time	Department
Tuesday, April 28, 2009 12:00 p.m.	<ul style="list-style-type: none"> ➤ General Fund revenue assumptions and projections ➤ General Fund multi-year forecast ➤ Review of City wide reserves
Tuesday, May 5, 2009 12:00 p.m.	<ul style="list-style-type: none"> ➤ Capital program budget
Tuesday, May 12, 2009 12:00 pm	<ul style="list-style-type: none"> ➤ General Fund department revenues and proposed fees
Tuesday, May 19, 2009 12:00 pm	<ul style="list-style-type: none"> ➤ Enterprise Fund revenues and proposed fees
Tuesday, June 2, 2009 12:00 pm	<ul style="list-style-type: none"> ➤ Staff recommended adjustments (if any)



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING April 7, 2009 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Marty Blum called the joint meeting of the Council and the Redevelopment Agency to order at 2:03 p.m. (The Finance Committee and Ordinance Committee, which ordinarily meet at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Blum.

ROLL CALL

Councilmembers present: Roger L. Horton, Helene Schneider, Das Williams, Mayor Blum.

Councilmembers absent: Iya G. Falcone, Dale Francisco, Grant House.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, Deputy City Clerk Brenda Alcazar.

CEREMONIAL ITEMS

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

Recommendation: That Council authorize the City Administrator to express the City's appreciation to employees who are eligible to receive service award pins for their years of service through April 30, 2009.

Speakers:

Staff: City Administrator James Armstrong.

Councilmember Francisco entered the meeting at 2:04 p.m. Councilmember Falcone entered the meeting at 2:07 p.m.

(Cont'd)

1. (Cont'd)

Action: By consensus, the Council recognized the following employees:

5-Year Pin

Paul Lopez, Street Maintenance Worker, Public Works

10-Year Pin

Kathleen Goo, Commission Secretary, Community Development

Melinda Jackson, Administrative Specialist, Public Works

Kimberly Thaler-Strange, Administrative Specialist, Public Works

Jill Zachary, Assistant Parks and Recreation Director, Parks and Recreation

25-Year Pin

Alex Altavilla, Police Captain, Police

Kevin Harris, Grounds Maintenance Worker, Parks and Recreation

2. Subject: Proclamation Declaring The Month Of April As DMV/Donate A Life California Month (120.04)

Action: Proclamation presented to Joe Darga and Priscilla Marcus.

3. Subject: Letter Of Recognition Naming David Starkey Poet Laureate For The City Of Santa Barbara (120.08)

Speakers:

Poet Laureates: Perie Longo and David Starkey.

Councilmember House entered the meeting at 2:13 p.m.

Action: Letter of Recognition presented to David Starkey.

CHANGES TO THE AGENDA

Item Removed from Agenda

City Administrator James L. Armstrong stated that the following item was removed from the Agenda and will be brought back to the Council at a future date:

16. Subject: Upper State Street Setbacks (640.09)

Recommendation: That Council direct staff to initiate possible amendments to the Upper State Street Area Special District Zone setback standards, Santa Barbara Municipal Code Chapter 28.45, in order to accommodate the future transportation needs of the street.

PUBLIC COMMENT

Speakers: Mr. McCollum, SOS Advocacy Group; Kate Smith; Nancy Tunnell; Richard Robinson, COP; Gert Walter; Beebe Longstreet; Ken Loch.

Councilmember Falcone left the meeting at 2:15 p.m. and returned at 2:40 p.m.

ITEM REMOVED FROM CONSENT CALENDAR

13. Subject: Set A Date for Public Hearing Regarding Appeals Of Architectural Board Of Review Preliminary Approval For 1298 Coast Village Road (640.07)

Recommendation: That Council set the date of May 5, 2009, at 6:00 p.m. for hearing the appeals filed by 1) Save Coast Village Road and 2) Anthony Fischer, Attorney, representing Protect Our Village, of the Architectural Board of Review Preliminary Approval of an application for property owned by Olive Oil & Gas, LP, and located at 1298 Coast Village Road, Assessor's Parcel No. 009-230-043, C-1/R-2/SD3 Limited Commercial/Two-Family Residence/Coastal Overlay Zones, General Plan Designation: General Commercial. The project proposes the demolition of an existing gas station and service bays and construction of a new three-story, mixed-use building on an 18,196 square-foot lot. The new building would consist of 4,800 square feet of commercial space on the ground floor and 8 residential units totaling 12,192 square feet on the second and third floors.

Speakers:

- Members of the Public: Tony Fischer, Attorney representing Protect Our Village.
- Staff: City Clerk Services Manager Cynthia Rodriguez, City Administrator James Armstrong.

Motion:

Councilmembers House/Falcone to continue this item for one week and to direct staff to work with the applicant and appellants in order to try to find a mutually agreeable hearing date.

Amendment Motion:

Councilmembers House/Falcone to continue this item for one week and to direct staff to work with the applicant and appellants in order to try to find a mutually agreeable hearing date to be no later than June 2.

Vote on Amendment Motion:

Unanimous voice vote.

CONSENT CALENDAR (Item Nos. 3 - 12 and 14)

The titles of the resolutions were read.

Motion:

Councilmembers Horton/Schneider to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote.

4. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meeting of March 17 and the special meeting of March 24, 2009.

Action: Approved the recommendation.

5. Subject: Records Destruction For Fire 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 Fire Department in the Administration Division.

Action: Approved the recommendation; Resolution No. 09-015 (April 7, 2009, report from the Fire Chief; proposed resolution).

6. Subject: Proposed Increase To Animal Control Fees (520.05)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Amending Resolution No. 08-060, Establishing Certain Dog Licensing Fees, Adjusting Animal Control Fees, and Rescinding Resolution Nos. 07-052, 07-085, and 08-013.

Action: Approved the recommendation; Resolution No. 09-016 (April 7, 2009, report from the Police Chief; proposed resolution).

7. Subject: Mission Creek Fish Passage - Accept Grant Funding For Design Of CalTrans Channel Steelhead Migration Barrier Removal (530.03)

Recommendation: That Council

- A. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing the Parks and Recreation Director to Accept Grant Funds and Execute a Grant Agreement for \$500,000 from the California Department of Fish and Game (CDFG) Fisheries Restoration Grant Program for the Mission Creek Fish Passage Project at the CalTrans Channel; and

(Cont'd)

7. (Cont'd)

- B. Increase the appropriation and estimated revenue by \$500,000 in the Creeks Division Capital Fund for the Mission Creek Fish Passage Project at the CalTrans Channel.

Action: Approved the recommendations; Resolution No. 09-017; Agreement No. 23,084 (April 7, 2009, report from the Parks and Recreation Director; proposed resolution).

8. Subject: Resolution Authorizing Submission Of Grant Applications Totaling \$3,941,585 For Stimulus Funds For Non-Point Source Pollution Treatment 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 Parks and Recreation Director to Submit Applications to the State Water Resources Control Board for a Financing Agreement for the Catch Basin Inlet Storm Drain Screens Project, the Parking Lot Storm Water Retrofit Project, and the Upper Las Positas Creek Restoration and Storm Water Management Project.

Action: Approved the recommendation; Resolution No. 09-018 (April 7, 2009, report from the Parks and Recreation Director; proposed resolution).

9. Subject: Two-Year Extension Of A Professional Services Contract For Independent Audit Services For The City's Annual Financial Statements For The Fiscal Years Ending June 30, 2009, And 2010 (250.02)

Recommendation: That Council approve and authorize the Finance Director to execute the First Amendment to Santa Barbara City Agreement No. 21,950, a two-year extension of the professional services contract with Caporicci & Larson, Certified Public Accountants (Caporicci & Larson) for the audit of the City's annual financial statements for the Fiscal Years ending June 30, 2009, and 2010, for an amount not to exceed \$58,250 per year (\$116,500 total).

Action: Approved the recommendation; Agreement No. 21,950.1 (April 7, 2009, report from the Finance Director).

10. Subject: Human Services Contract Assignments For Homeless Shelter Meal And Domestic Violence Intervention Programs (230.02)

Recommendation: That Council:

- A. Authorize the assignment of Community Kitchen Human Services Contract No. 22,729 in the remaining amount of \$26,000 for the period of January 1 - June 30, 2009, to Casa Esperanza for operation of the Homeless Shelter Meal Program; and

(Cont'd)

10. (Cont'd)

- B. Authorize the assignment of Domestic Violence Solutions Human Services Contract No. 22,733 in the remaining amount of \$4,750 for the period of January 1 - June 30, 2009, to Zona Seca for operation of the Domestic Violence Intervention Program.

Action: Approved the recommendations; Contract Nos. 23,085 and 23,086 (April 7, 2009, report from the Community Development Director).

11. Subject: Integrated Regional Water Management Plan Update And Proposition 84 Grant Application - Memorandum Of Understanding (540.08)

Recommendation: That Council authorize the Public Works Director to execute a Memorandum of Understanding among various public agency cooperating partners in Santa Barbara County for Administration of the Santa Barbara Countywide Integrated Regional Water Management Plan (IRWMP) revision and Proposition 84 Grant Application, with the City's share for the consultant services provided to Dudek Consultants and Kevin Walsh, County contract employee, with expenses not to exceed \$23,000.

Action: Approved the recommendation; Agreement No. 23,087 (April 7, 2009, report from the Public Works Director).

12. Subject: Rejection Of Santa Barbara Golf Club Safety Plan Implementation And Upper Las Positas Storm Water Improvement Project Bids (570.02)

Recommendation: That Council reject the bids for construction of the Santa Barbara Golf Club Safety Plan Implementation and Upper Las Positas Storm Water Improvement Project, Bid No. 3463A, and direct staff to re-bid the project.

Action: Approved the recommendation (April 7, 2009, joint report from the Public Works Director and the Parks and Recreation Director).

NOTICES

14. The City Clerk has on Thursday, April 2, 2009, 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 concluded the Consent Calendar.

REDEVELOPMENT AGENCY REPORTS

15. Subject: Children's Museum Of Santa Barbara - Request For Preliminary Community Priority Designation And Approval Of Memorandum Of Understanding (640.09)

Recommendation:

- A. That Council make a preliminary finding that the proposed children's museum at 125 State Street meets a present need directly related to general welfare, and grant the project a Preliminary Community Priority Designation for 2,500 square feet of floor area; and
- B. That the Agency Board approve the Memorandum of Understanding with the Children's Museum of Santa Barbara regarding negotiations concerning the possible development of a children's museum at 125 State Street and authorize the Executive Director to execute the Memorandum of Understanding in a form acceptable to Agency Counsel.

Documents:

- April 7, 2009, report from the Community Development Director/Deputy Director.
- April 7, 2009, PowerPoint presentation prepared and made by staff.

Speakers:

- Staff: Redevelopment Supervisor Brian Bosse, Redevelopment Specialist Marck Aguilar, Associate Planner Daniel Gullett.
- Children's Museum of Santa Barbara: Sheila Cushman, Executive Director; Yazmin Garcia and Alondra Taboada, 4th Grade Students, Cesar Chavez School; Board Member Gordon Auchincloss; Paul Selwyn; Lawrence Thompson.
- Members of the Public: Steve Cushman, Santa Barbara Chamber of Commerce; Taylor Barnes; Caroline Harrah.

Motion:

Council/Agency Members House/Horton to approve the recommendations; Redevelopment Agency Agreement No. 516.

Vote:

Unanimous voice vote.

RECESS

3:46 p.m. - 4:01 p.m. Councilmembers Falcone and Williams were absent when the Council reconvened.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

PUBLIC WORKS DEPARTMENT

17. Subject: Underground Utility Assessment District Program Update And Proposed Program Enhancements (530.07)

Recommendation: That Council:

- A. Receive an update on the Underground Utility Assessment District (UUAD) Program (Program);
- B. Approve adding a Program Neighborhood Level of Support Threshold (Support Threshold); and
- C. Approve initiating a Financial Assistance Loan Program for UUAD Property Owners, and refer to the Finance Committee to establish the Loan Program parameters.

Documents:

- April 7, 2009, report from the Public Works Director.
- April 7, 2009, PowerPoint presentation prepared and made by staff.
- July 2006 study titled "Out of Sight, Out of Mind?" submitted by Tony Black.
- April 7, 2009, written comments from Asha and George DeMarco.

Councilmembers Falcone and Williams returned to the meeting at 4:03 p.m.

Speakers:

- Staff: Principal Civil Engineer John Ewasiuk, Finance Director Robert Peirson, City Attorney Stephen Wiley.
- Members of the Public: Tony Black, Stacy Shepherd, April Walstad, Earl Morley, Steve Chang, Ken Mueller, Deborah Anderson, Fred Keller, David Pritchett and George Conk.

Motion:

Councilmembers Williams/Falcone to establish the level of support thresholds of 85% of the property owners for the initial petition requirement and 80% at the final weighted vote stage, and direct staff to estimate the yearly budget for this program to determine if all funds should be used for undergrounding.

Vote:

Majority voice vote (Noes: Councilmember Horton).

Motion:

Councilmembers Williams/Horton to direct staff to work with the Finance Committee at a later date to consider a financial assistance loan program.

Vote:

Majority voice vote (Noes: Councilmember Francisco).

CHANGES TO AGENDA (CONT'D)

Items Removed from Agenda

By consensus, the Council agreed to defer the following items until a future date:

19. Subject: Public Employee Performance Evaluation - Government Code Section 54957 (170.01)

Recommendation: That Council hold a closed session for a Public Employee Performance Evaluation per Government Code Section 54957.

Title: City Administrator

Scheduling: Duration, 40 minutes; anytime

Report: None anticipated

(Continued from March 17, 2009, Item No. 11)

20. Subject: Public Employee Performance Evaluation - Government Code Section 54957 (160.01)

Recommendation: That Council hold a closed session for a Public Employee Performance Evaluation per Government Code Section 54957.

Title: City Attorney

Scheduling: Duration, 40 minutes; anytime

Report: None anticipated

RECESS

6:05 p.m. - 6:09 p.m. Councilmembers Falcone and Williams were absent when the Council reconvened.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

PUBLIC WORKS DEPARTMENT (CONT'D)

18. Subject: Measure D One-Year Local Program Of Projects For Fiscal Year 2010 (150.04)

Recommendation: That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Adopting the Measure D One-Year Local Program of Projects for Fiscal Year 2010.

Documents:

- April 7, 2009, report from the Public Works Director.
- April 7, 2009, PowerPoint presentation prepared and made by staff.
- Proposed Resolution.

(Cont'd)

18. (Cont'd)

The title of the resolution was read.

Councilmember Williams returned to the meeting at 6:10 p.m.

Speakers:

- Staff: Principal Civil Engineer John Ewasiuk, Transportation Manager Browning Allen.
- Transportation and Circulation Committee: Chair David Pritchett.

Motion:

Councilmembers House/Horton to approve the recommendation and to prioritize the city's support for the Metropolitan Transit District through the gap between the effective date of Measure A and the first payment, should it become necessary; Resolution No. 09-019.

Vote:

Majority roll call vote (Noes: Councilmember Francisco; Absent: Councilmember Falcone).

ADJOURNMENT

Mayor Blum adjourned the meeting at 6:35 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

MARTY BLUM
MAYOR

ATTEST: _____
BRENDA ALCAZAR, CMC
DEPUTY CITY CLERK



CITY OF SANTA BARBARA CITY COUNCIL MINUTES

REGULAR MEETING April 14, 2009 COUNCIL CHAMBER, 735 ANACAPA STREET

CALL TO ORDER

Mayor Pro Tempore Dale Francisco called the joint meeting of the Council and the Redevelopment Agency to order at 2:03 p.m. (The Finance Committee met at 12:30 p.m. The Ordinance Committee, which ordinarily meets at 12:30 p.m., did not meet on this date.)

PLEDGE OF ALLEGIANCE

Mayor Pro Tempore Francisco.

ROLL CALL

Councilmembers present: Roger L. Horton, Grant House, Helene Schneider, Das Williams, Mayor Pro Tempore Francisco.

Councilmembers absent: Iya G. Falcone, Mayor Marty Blum.

Staff present: City Administrator James L. Armstrong, City Attorney Stephen P. Wiley, Deputy City Clerk Susan Tschech.

CEREMONIAL ITEMS

1. Subject: Proclamation Declaring April 2009 As Autism Awareness Month (120.04)

Action: Proclamation presented to Marcia Eichelberger and Sandy Shove, representing the Santa Barbara Chapter of the Autism Society of America.

2. Subject: Proclamation Declaring April 2009 As Children And Nature Awareness Month (120.04)

Proclamation presented to Terry Brown and Kim Coley, City of Santa Barbara Parks and Recreation Department employees, and to Andrew Lindsey, representing San Roque School.

3. Subject: Proclamation Celebrating The Commissioning Of The U.S.S. Stockdale (120.04)

Action: Proclamation presented to Santa Barbara Navy League representatives Karen Crawford, President, and Doug Crawford, Vice President.

PUBLIC COMMENT

Speakers: Fred Kuhlmann; Kate Smith; Paul Giuliano, Mayor of Moonee Valley, Australia; Hans Kistner; Richard Robinson; George Green, Service Employees International Union Local 620.

CONSENT CALENDAR (Item Nos. 4 – 8 and 12)

The title of the resolution related to Item No. 7 was read.

Motion:

Councilmembers Schneider/Horton to approve the Consent Calendar as recommended.

Vote:

Unanimous roll call vote (Absent: Councilmember Falcone, Mayor Blum).

4. Subject: Minutes

Recommendation: That Council waive the reading and approve the minutes of the regular meetings of March 24, 2009, and March 31, 2009 (cancelled).

Action: Approved the recommendation.

5. Subject: Fiscal Year 2009 Interim Financial Statements For The Seven Months Ended January 31, 2009 (250.02)

Recommendation: That Council accept the Fiscal Year 2009 Interim Financial Statements for the Seven Months Ended January 31, 2009.

Action: Approved the recommendation (April 14, 2009, report from the Finance Director).

6. Subject: Fiscal Year 2009 Interim Financial Statements For The Eight Months Ended February 28, 2009 (250.02)

Recommendation: That Council accept the Fiscal Year 2009 Interim Financial Statements for the Eight Months Ended February 28, 2009.

Action: Approved the recommendation (April 14, 2009, report from the Finance Director).

7. Subject: Records Destruction For Airport 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 Airport Department in the Administration Office.

Action: Approved the recommendation; Resolution No. 09-020 (April 14, 2009, report from the Airport Director; proposed resolution; April 12, 2009, letter from Paula Westbury).

8. Subject: Approval Of Purchase Order For Emergency Sewer Main Repair (540.13)

Recommendation: That Council retroactively approve \$28,727 in a Purchase Order to Tierra Contracting Company (Tierra) for emergency sewer main repair.

Action: Approved the recommendation (April 14, 2009, report from the Public Works Director).

Agenda Item Nos. 9 – 11 appear in the Redevelopment Agency minutes.

NOTICES

12. The City Clerk has on Thursday, April 9, 2009, 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 concluded the Consent Calendar.

REPORT FROM THE FINANCE COMMITTEE

Finance Committee Chair Roger Horton reported that the Committee met to review financial statements for both the City and the Redevelopment Agency for two time periods, the seven months ended January 31, 2009, and the eight months ended February 28, 2009; these statements were approved by the Council/Agency Board as part of this agenda's Consent Calendar (Item Nos. 5, 6, 10, and 11). The Committee also considered Staff recommendations related to the City's financing of the Airport's Joint Use Rental Car Facility; these recommendations will be presented to the full Council as Agenda Item No. 17.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS

ADMINISTRATIVE SERVICES DEPARTMENT

13. Subject: Set A Date For Public Hearing Regarding Appeals Of Architectural Board Of Review Preliminary Approval For 1298 Coast Village Road

Recommendation: That Council set the date of May 5, June 9, or June 23, 2009, at 6:00 p.m. for hearing the appeals filed by 1) Save Coast Village Road and 2) Anthony Fischer, Attorney, representing Protect Our Village, of the Architectural Board of Review Preliminary Approval of an application for property owned by Olive Oil & Gas, LP, and located at 1298 Coast Village Road.

(Continued from April 7, 2009, Item No. 13)

Documents:

April 14, 2009, report from the Administrative Services Director.

Speakers:

- Staff: Deputy City Clerk Susan Tschech, City Administrator James Armstrong, City Attorney Stephen Wiley.
- Members of the Public: Attorney Douglas Fell, representing the Applicant.

Motion:

Councilmember House/ to set the date of May 5, 2009, at 6:00 p.m. for hearing the appeals of this decision by the Architectural Board of Review.

This motion was withdrawn.

Motion:

Councilmembers House/Williams to continue this item to later in the meeting.

Vote:

Unanimous voice vote (Absent: Councilmember Falcone, Mayor Blum).

FIRE DEPARTMENT

14. Subject: Introduction Of Ordinance For Amendments To The 2007 Fire Code (520.03)

Recommendation: That Council introduce, and subsequently adopt, by reading of title only, An Ordinance of the Council of the City of Santa Barbara Amending Subsection E of Section 8.04.020 and Subsections C and D of Section 22.04.020 of the Santa Barbara Municipal Code Concerning Local Requirements for the Installation of Automatic Fire Sprinklers.

(Cont'd)

14. (Cont'd)

Documents:

- April 14, 2009, report from the Fire Chief.
- Proposed Ordinance.
- PowerPoint presentation prepared and made by Staff.
- April 12, 2009, letter from Paula Westbury.

The title of the ordinance was read.

Speakers:

Staff: Fire Marshal Joseph Poiré.

Motion:

Councilmembers Schneider/Horton to approve the recommendation.

Vote:

Unanimous voice vote (Absent: Councilmember Falcone, Mayor Blum).

ADMINISTRATIVE SERVICES DEPARTMENT (CONT'D)

13. Subject: Set A Date For Public Hearing Re 1298 Coast Village Road (Cont'd)

Speakers:

- Members of the Public: Attorney Tony Fischer, representing Protect Our Village.

Motion:

Councilmembers Williams/Schneider to continue this item for one week and direct Staff to attempt to obtain agreement from all parties to schedule this public hearing for a date no later than June 2, 2009.

Vote:

Majority voice vote (Noes: Councilmember Horton, Mayor Pro Tempore Francisco; Absent: Councilmember Falcone, Mayor Blum).

PUBLIC WORKS DEPARTMENT

15. Subject: Cachuma Conservation Release Board Draft Budget (540.03)

Recommendation: That Council review the draft Fiscal Year 2010 budget for the Cachuma Conservation Release Board (CCRB).

Documents:

April 14, 2009, report from the Public Works Director.

(Cont'd)

15. (Cont'd)

Speakers:

Staff: Water Resources Manager Rebecca Bjork.

By consensus, the Council received the report.

RECESS

3:28 p.m. - 3:43 p.m. Councilmember Williams was absent when the Council reconvened.

CITY COUNCIL ADMINISTRATIVE AND ATTORNEY REPORTS (CONT'D)

FINANCE DEPARTMENT

16. Subject: Composting Contract For Business Foodscrap Recovery Program (630.01)

Recommendation: That Council direct and authorize the Finance Director or his or her designee to negotiate and execute a contract which terminates on or before June 30, 2010, with Engel & Gray, Inc., of Santa Maria, to transport and compost foodscraps collected from businesses through the City's Foodscraps Recovery and Composting Program for not more than \$50 per ton and for a total contract amount not to exceed \$100,000.

Documents:

- April 14, 2009, report from the Assistant Finance Director.
- April 12, 2009, letter from Paula Westbury.

Speakers:

Staff: Environmental Services Supervisor Stephen MacIntosh, Assistant Finance Director Robert Samario, City Attorney Stephen Wiley.

Motion:

Councilmembers Schneider/Horton to approve the recommendation; Contract No. 23,090.

Vote:

Unanimous voice vote (Absent: Councilmembers Falcone, Williams, Mayor Blum).

17. Subject: Airport Terminal Project - City Financing Of Joint Use Rental Car Facility (560.04)

Recommendation: That Council:

- A Authorize the Airport Director to execute, in a form acceptable to the City Attorney, Amendment Number 2 to the Airport Promissory Note dated July 1, 2008, in the amount of \$7.8 million, to extend the maturity date of said promissory note from June 30, 2009 to July 13, 2009;
- B. Authorize the Airport Director to execute, in a form acceptable to the City Attorney, a \$7.3 million Airport Promissory Note at an interest rate of the higher of ~~6.57.0%~~ or the LAIF rate, but not to exceed 9%, and with a 20-year term, to finance the recently constructed Joint Use Rental Car Facility; and
- C. Authorize the Finance Director to purchase the Airport's 20-year Airport Promissory Note on behalf of the City's investment portfolio.

Documents:

- April 14, 2009, report from the Finance Director.
- April 12, 2009, letter from Paula Westbury.

Speakers:

Staff: Finance Director Robert Peirson, who included in his presentation a request to revise recommendation B as shown above, per the Finance Committee's consideration of this issue earlier today.

Motion:

Councilmembers Horton/House to approve the recommendations as revised.

Vote:

Unanimous voice vote (Absent: Councilmembers Falcone, Williams, Mayor Blum).

RECESS

Mayor Pro Tempore Francisco recessed the meeting at 4:16 p.m. in order for the Council to reconvene in closed session for Agenda Item No. 18, and he stated there would be no reportable action taken during the closed session.

CLOSED SESSIONS

18. Subject: Conference With Legal Counsel - Pending Litigation (160.03)

Recommendation: That Council hold a closed session to consider pending litigation pursuant to subsection (a) of section 54956.9 of the Government Code and take appropriate action as needed. The pending litigation is James Ryden, et al., v. City of Santa Barbara, et al., USDC Case Number: CV 09-1578 SVW (SSx).

Scheduling: Duration, 15 minutes; anytime
Report: None anticipated

Documents:

April 14, 2008, report from the City Attorney.

Time:

4:20 p.m. - 5:05 p.m. Councilmembers Falcone and Williams and Mayor Blum were absent.

No report made.

ADJOURNMENT

Mayor Pro Tempore Francisco adjourned the meeting at 5:05 p.m.

SANTA BARBARA CITY COUNCIL

SANTA BARBARA
CITY CLERK'S OFFICE

DALE FRANCISCO
MAYOR PRO TEMPORE

ATTEST: _____
SUSAN TSCHECH, CMC
DEPUTY CITY CLERK



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009

TO: Mayor and Councilmembers

FROM: Treasury Division, Finance Department

SUBJECT: March 31, 2009, Investment Report And March 31, 2009, Fiscal Agent Report

RECOMMENDATION: That Council:

- A. Accept the March 31, 2009, Investment Report; and
- B. Accept the March 31, 2009, Fiscal Agent Report.

DISCUSSION:

The City's investment reporting schedule requires staff to submit a comprehensive report on the City portfolio on a quarterly basis. Therefore, this report will cover investment activity for January through March, 2009.

Against the backdrop of a deepening global economic downturn, financial markets exhibited continued volatility throughout the first calendar quarter of 2009. According to final estimates released by the Bureau of Economic Analysis, the real gross domestic product (GDP), the broadest measure of the health of the U.S. economy, decreased at an annual rate of 6.3% during the fourth quarter of 2008. This marked the worst decline since the first quarter of 1982. The negative GDP indicated declines in exports, consumer spending, and business investments. Consumer confidence levels plummeted during the quarter, and deteriorating market conditions pushed the unemployment rate to 8.5% in March, its highest level in nearly twenty-six years. Consumers' economic outlook remained pessimistic, amid worries of job losses, falling incomes, and declining housing wealth.

The U.S. government enacted a myriad of fiscal programs, and spending initiatives during the quarter in an effort to promote economic recovery and stabilize financial markets. Actions included the Treasury Department's Financial Stability Plan, President Obama's \$787 billion economic stimulus package, and the continuation of aggressive monetary action by the Federal Reserve. The

U.S. Treasury Market					
	12/31/2008	1/31/2009	2/28/2009	3/31/2009	Cumulative Change
3 Month	0.01%	0.23%	0.27%	0.21%	0.20%
6 Month	0.26%	0.34%	0.43%	0.41%	0.15%
1 Year	0.34%	0.47%	0.68%	0.54%	0.20%
2 Year	0.76%	0.95%	0.97%	0.80%	0.04%
3 Year	0.97%	1.33%	1.37%	1.12%	0.15%
4 Year	1.26%	1.60%	1.68%	1.39%	0.13%
5 Year	1.55%	1.88%	1.98%	1.65%	0.10%
10 Year	2.21%	2.84%	3.01%	2.67%	0.46%
30 Year	2.68%	3.58%	3.71%	3.54%	0.86%
LAIF	2.35%	2.05%	1.87%	1.82%	-0.53%

Federal Reserve Bank's Open Market Committee maintained the federal funds rate at a target range of 0-1/4%, and reiterated that the rate is likely to remain exceptionally low "for an extended period." In March, the Fed increased the size of its balance sheet by announcing plans to buy \$300 billion in long-term Treasury securities, and purchasing \$750 billion of agency mortgage-backed securities. This direct action drove the yield on the benchmark treasury rate down, prompting a surge of mortgage refinancing activity at quarter-end.

Investment Activity

As shown in the table below, the City invested \$19.7 million during the quarter. The purchases consisted of "AAA" rated Federal Agency securities, of which \$12 million are callable, and \$7.7 million are bullets. \$17 million of "AAA" rated Federal Agency securities were called during the quarter, and maturities for the quarter totaled \$12 million. The weighted average yield to maturity on the quarter's purchases totaled 2.527%, compared to that of 4.514% on the quarter's called and matured investments. The rate at which the City earned interest at LAIF was 1.91% for the quarter ending

Issuer	Face Amount	Purchase Date	Final Maturity	Call Date	Yield To Call	Yield To Maturity
<i>Purchases:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	02/26/09	02/24/14	02/24/10	3.301%	3.261%
Federal National Mortgage Assn. (FNMA)	2,000,000	02/27/09	02/24/12	02/24/11	2.250%	2.250%
Federal Farm Credit Bank (FFCB)	2,000,000	03/04/09	03/02/12	03/02/10	2.370%	2.370%
Federal Farm Credit Bank (FFCB)	2,000,000	03/04/09	01/17/12	-	-	2.000%
Federal Home Loan Bank (FHLB)	1,700,000	03/04/09	06/08/12	-	-	2.110%
Federal National Mortgage Assn. (FNMA)	2,000,000	03/18/09	09/18/12	03/18/11	2.500%	2.500%
Federal Farm Credit Bank (FFCB)	2,000,000	03/05/09	03/04/13	-	-	2.600%
Federal Home Loan Mortgage Corp. (FHLMC)	2,000,000	03/24/09	03/24/14	06/24/09	3.500%	3.500%
Federal National Mortgage Assn. (FNMA)	2,000,000	03/23/09	03/23/12	09/23/10	2.000%	2.500%
Federal Farm Credit Bank (FFCB)	2,000,000	03/06/09	04/24/12	-	-	2.120%
<i>Total Purchases</i>	\$ 19,700,000					
<i>Calls:</i>						
Federal Home Loan Bank (FHLB)	\$ 2,000,000	04/02/08	04/02/13	01/02/09	4.150%	4.150%
Federal Home Loan Mortgage Corp. (FHLMC)	2,000,000	01/09/08	01/09/12	01/09/09	4.250%	4.250%
Federal Home Loan Mortgage Corp. (FHLMC)	2,000,000	04/16/08	04/16/13	01/16/09	4.000%	4.000%
Federal Home Loan Bank (FHLB)	2,000,000	02/13/08	02/13/13	02/13/09	4.553%	4.001%
Federal Home Loan Bank (FHLB)	2,000,000	02/17/06	02/17/11	02/17/09	5.020%	5.020%
Federal Home Loan Mortgage Corp. (FHLMC)	5,000,000	06/04/08	06/04/13	03/04/09	4.550%	4.550%
Federal Home Loan Mortgage Corp. (FHLMC)	2,000,000	03/26/08	03/26/13	03/26/09	4.200%	4.200%
<i>Total Calls</i>	\$ 17,000,000					
<i>Maturities:</i>						
Federal Farm Credit Bank (FFCB)	\$ 2,000,000	01/29/07	01/22/09	-	-	5.150%
U.S. Treasury Note (USTN)	2,000,000	02/01/06	02/15/09	-	-	4.501%
Federal Farm Credit Bank (FFCB)	2,000,000	06/02/06	02/18/09	-	-	5.280%
Federal National Mortgage Assn. (FNMA)	2,000,000	01/12/07	02/24/09	-	-	5.000%
Federal National Mortgage Assn. (FNMA)	2,000,000	04/17/07	03/06/09	-	-	5.001%
Federal Home Loan Bank (FHLB)	2,000,000	10/01/08	03/30/09	-	-	3.520%
<i>Total Maturities</i>	\$ 12,000,000					

March 31, 2009. Staff expects to reinvest a portion of the City's LAIF balances in short-term securities during the next quarter.

Summary of Cash and Investments

During the quarter, the City's book rate of return decreased by 45.7 basis points, from 4.038% at December 31, 2008 to 3.581% at March 31, 2009. The portfolio yield continues to decline through the attrition of higher-yielding securities, and reinvestment at considerably lower market rates. The portfolio's average days to maturity decreased by 25 days, from 471 to 446 days.

Mo. Ended	Yield	Days to Maturity
12/31/2008	4.038%	471
1/31/2009	3.784%	388
2/28/2009	3.679%	401
3/31/2009	3.581%	446

Credit Quality on Corporate Notes

The table on the following page summarizes the credit ratings on corporate securities held in the City's portfolio. Over the course of the quarter ending March 31, 2009, there have been credit quality changes to three corporate issuers as detailed below.

On March 23rd, Moody's Investors Service (Moody's) downgraded General Electric Co. (GE) and its finance arm, GE Capital Corp. (GECC), by two notches, from Aaa to Aa2. This followed Standard & Poor's (S&P) single notch ratings reduction to AA+ from AAA, which took place on March 12. The rating agencies cited concerns that GECC is under increased earnings pressure due to the global economic downturn. Moody's and S&P have a stable outlook on both ratings, as the agencies believe that GECC will improve liquidity and leverage this year. As of March 31, 2009, the City's GECC holdings accounted for 4.28% of the portfolio.

On February 6th, Moody's and S&P simultaneously downgraded Toyota Motor Corporation's credit ratings by one notch. Credit ratings agencies have been lowering ratings on automakers, as global sales have slumped due to decreased demand. Moody's stated that Toyota's downgrade was "driven by the significantly impaired state of profitability at Toyota, due in turn to the severe nature of market conditions surrounding the global auto industry." S&P states that the ratings "could come under further downward pressure if deterioration in the business environment continues for an extended period or if the company is unable to maintain its ability to keep its cash flow and cash position within appropriate levels..." The Moody's and S&P ratings on Toyota Motor Credit Corporation (TMCC) now stand at Aa1 and AA+, respectively. The City currently holds a \$2 million TMCC note, representing 1.22% of the portfolio.

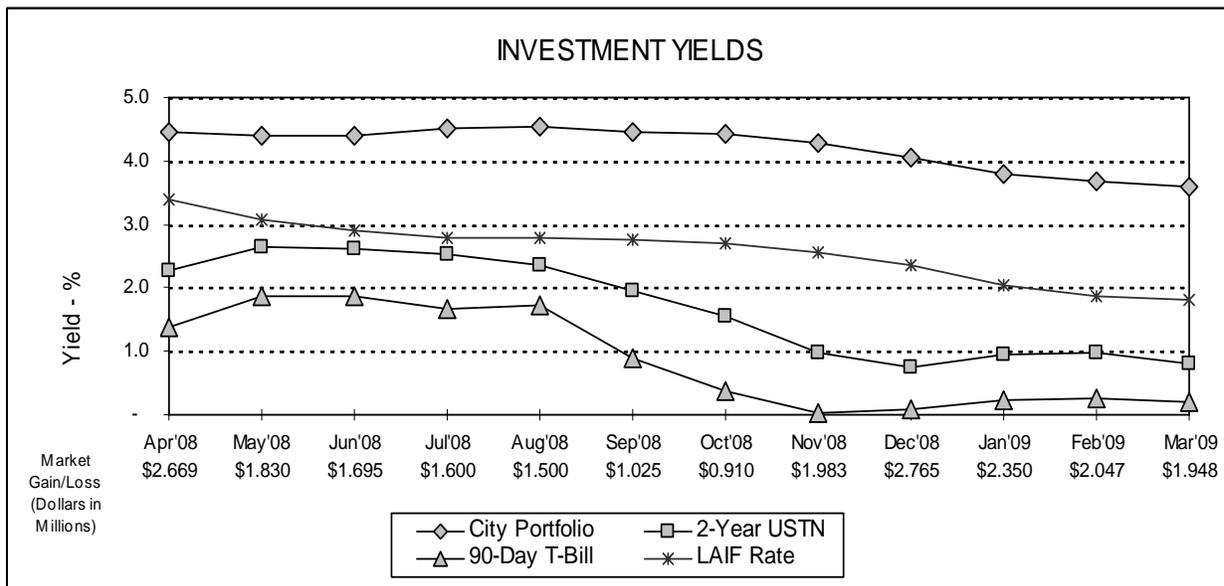
Moody's twice downgraded Wells Fargo and Co. (WFC) during the quarter. On January 6th, Wells Fargo's senior debt ratings were cut two notches from Aa1 to Aa3. The downgrade was attributed to concerns regarding the acquisition of Wachovia, and the inherent risk of losses stemming from Wachovia's loan portfolio. On March 25th, Moody's cut ratings on both Wells Fargo, as well as Bank of America, citing concerns that they would need additional capital from the government. Moody's stated that "Wells Fargo's capital ratios could come under pressure in the short-term, increasing the probability that systemic support will be needed." Moody's expects that any government support would be favorable to senior bondholders. The senior-debt rating for Wells was cut by one notch from Aa3 to A1. The City currently holds \$4 million in Wells Fargo notes, which in total represent 2.44% of the portfolio.

ISSUER	PURCHASE DATE	MATURITY DATE	QUALITY RATING at PURCHASE		QUALITY RATING AS OF 12/31/08		QUALITY RATING AS OF 3/31/09	
			MOODY'S	S & P	MOODY'S	S & P	MOODY'S	S & P
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	Aaa	AAA	Aaa	AAA
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	Aaa	AAA	Aa2	AA+
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	Aaa	AAA	Aa2	AA+
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	Aaa	AAA	Aa2	AA+
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	Aaa	AAA	Aa2	AA+
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	Aaa/*-	AAA	Aa1	AA+
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA	Aa1/*-	AA	A1	AA
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	Aa1/*-	AA	A1	AA

Per the City's Investment Policy, Section VII.A.5, investments in any one "AA" rated corporate issuer is limited to no more than 5% of the portfolio, and investments in any one "A" rated issuer is limited to 3% of the portfolio. Also per the Policy, if the quality rating of the issuer is downgraded, subsequent to purchase, below "A," or its equivalent, it shall be reported to Finance Committee and City Council with a recommendation, and ongoing information shall be provided if the bond is not sold. Staff will continue to monitor for any further changes to quality ratings.

Portfolio Market Gains/Losses

As shown on the Investment Yields graph below, the City's portfolio continued to reflect



unrealized market gains during the quarter due to the low interest rate environment. At March 31st, the portfolio had an unrealized market gain of \$1.948 million.

The table below reflects the five securities with the largest percentage of unrealized losses at March 31, 2009.

Issuer	Face Amount	Maturity	\$ Mkt Loss	% Mkt Loss
Wells Fargo & Co.	\$ 2,000,000	08/09/10	\$15,826	0.79%
General Electric Capital Corp.	\$ 2,000,000	02/22/11	\$12,519	0.62%
Federal Home Loan Bank	\$ 2,000,000	06/08/12	\$10,332	0.57%
Wells Fargo & Co.	\$ 2,000,000	01/12/11	\$10,863	0.55%
Federal Farm Credit Bank	\$ 2,000,000	04/24/12	\$8,936	0.45%

The table below shows the two securities with a market decline greater than 1% compared to the prior month. Both corporate notes had unrealized market gains at February 28, 2009. Due to the downward swing in market pricing by quarter-end, the notes had unrealized market losses. The unrealized losses on the Wells and GECC notes are less than 1% of their book value, at -0.55% and -0.62% respectively.

Issuer	Face Amount	Maturity	Feb-Mar Mkt Change (\$)	Feb-Mar Mkt Change (%)	% Book-Mkt (Loss) at 3.31.09
Wells Fargo & Co.	\$ 2,000,000	01/12/11	-\$35,320	-1.76%	-0.55%
General Electric Capital Corp.	\$ 2,000,000	02/22/11	-\$25,140	-1.23%	-0.62%

Additional Reporting Requirements

The following confirmations are made pursuant to California Code Sections 53600 et seq.: (1) the City's portfolio as of March 31, 2009 is in compliance with the City's Statement of Investment Policy; and (2) there are sufficient funds available to meet the City's expenditure requirements for the next six months.

Fiscal Agent Investments

In addition to reporting requirements for public agency portfolios, a description of any of the agency's investments under the management of contracted parties is also required on a quarterly basis. Attachment 2 includes bond funds and the police and fire service retirement fund as of March 31, 2009.

ATTACHMENTS: 1. March 31, 2009, Investment Report
 2. March 31, 2009, Fiscal Agent Report

SUBMITTED BY: Robert Peirson, Finance Director

APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
March 31, 2009

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

03/04	Federal Farm Credit Bank (FFCB)	\$ 2,000,000
03/04	Federal Farm Credit Bank (FFCB)	2,000,000
03/04	Federal Home Loan Bank (FHLB)	1,700,000
03/05	Federal Farm Credit Bank (FFCB)	2,000,000
03/06	Federal Farm Credit Bank (FFCB)	2,000,000
03/10	LAIF Deposit/City	1,000,000
03/13	LAIF Deposit/City	2,500,000
03/18	Federal National Mortgage Assn. (FNMA)	2,000,000
03/23	Federal National Mortgage Assn. (FNMA)	2,000,000
03/24	Federal Home Loan Mortgage Corp. (FHLMC)	2,000,000
03/30	LAIF Deposit/City	3,000,000
	Total	\$ 22,200,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

03/04	Federal Home Loan Mortgage Corp. (FHLMC) Call	\$ (5,000,000)
03/05	LAIF Withdrawal/City	(1,000,000)
03/06	Federal National Mortgage Assn. (FNMA) Maturity	(2,000,000)
03/12	LAIF Withdrawal/City	(5,000,000)
03/18	LAIF Withdrawal/City	(1,000,000)
03/19	LAIF Withdrawal/City	(1,500,000)
03/23	LAIF Withdrawal/City	(1,500,000)
03/24	LAIF Withdrawal/City	(1,000,000)
03/25	LAIF Withdrawal/City	(1,000,000)
03/26	Federal Home Loan Mortgage Corp. (FHLMC) Call	(2,000,000)
03/27	LAIF Withdrawal/City	(2,500,000)
03/30	Federal Home Loan Bank (FHLB) Call	(2,000,000)
	Total	\$ (25,500,000)

ACTIVITY TOTAL

\$ (3,300,000)

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 450,060
Amortization	15,953
SBB&T Sweep Account Interest	165
SBB&T Trust Account M/M Interest	52
Total	\$ 466,230

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 28,009
---------------------------------------	------------------

TOTAL INTEREST EARNED

\$ 494,239

CITY OF SANTA BARBARA
Summary of Cash and Investments
March 31, 2009

ENDING BALANCE AS OF FEBRUARY 28, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 58,100,000	1.869%	35.26%	1
Certificates of Deposit	2,000,000	2.500%	1.21%	262
Treasury Securities - Coupon	1,999,528	5.000%	1.21%	75
Federal Agency Issues - Coupon	79,618,774	4.484%	48.33%	734
Corporate/Medium Term Notes	15,236,709	4.910%	9.25%	398
SB Airport Promissory Note	7,800,000	6.500%	4.73%	121
Totals and Averages	\$ 164,755,011	3.679%	100.00%	401
SBB&T Money Market Account	3,193,130			
Total Cash and Investments	\$ 167,948,141			

NET CASH AND INVESTMENT ACTIVITY FOR MARCH 2009 **\$ (2,589,216)**

ENDING BALANCE AS OF MARCH 31, 2009

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 50,100,000	1.822%	31.00%	1 (1)
Certificates of Deposit	2,000,000	2.500%	1.24%	231
Treasury Securities - Coupon	1,999,723	5.000%	1.24%	44
Federal Agency Issues - Coupon	84,458,375	4.108%	52.26%	772
Corporate/Medium Term Notes	15,241,409	4.910%	9.43%	367
SB Airport Promissory Note	7,800,000	6.500%	4.83%	90
Totals and Averages	\$ 161,599,507	3.581%	100.00%	446
SBB&T Money Market Account	3,759,418			
Total Cash and Investments	\$ 165,358,925			

Note:

(1) The average life of the LAIF portfolio as of March 31, 2009 is 196 days.

CITY OF SANTA BARBARA
Investment Portfolio
March 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	1.822	1.822	32,000,000.00	32,000,000.00	32,000,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	1.822	1.822	18,100,000.00	18,100,000.00	18,100,000.00	0.00	
Subtotal, LAIF							50,100,000.00	50,100,000.00	50,100,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/08	11/18/09	-	-	2.500	2.500	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,999,723.00	2,011,800.00	12,077.00	
Subtotal, Treasury Securities							2,000,000.00	1,999,723.00	2,011,800.00	12,077.00	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/06/09	04/24/12	Aaa	AAA	2.250	2.120	2,000,000.00	2,007,685.80	1,998,750.00	(8,935.80)	
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,999,375.64	2,003,120.00	3,744.36	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,826.22	2,035,310.00	35,483.78	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,023,970.26	2,156,560.00	132,589.74	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,990,837.08	2,099,380.00	108,542.92	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	2,033,130.00	33,130.00	Callable 2/01/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	03/02/12	Aaa	AAA	2.370	2.370	2,000,000.00	2,000,000.00	2,004,380.00	4,380.00	Callable 3/02/10, then cont.
FEDERAL FARM CREDIT BANK	03/04/09	01/17/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,006,560.00	6,560.00	
FEDERAL FARM CREDIT BANK	03/05/09	03/04/13	Aaa	AAA	2.600	2.600	2,000,000.00	2,000,000.00	2,010,630.00	10,630.00	
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	990,227.21	1,025,315.00	35,087.79	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,985,477.49	2,029,690.00	44,212.51	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,009,578.40	2,159,370.00	149,791.60	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,955,898.77	2,096,560.00	140,661.23	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	997,616.90	1,038,125.00	40,508.10	
FEDERAL HOME LOAN BANK	02/26/09	02/24/14	Aaa	AAA	3.250	3.261	2,000,000.00	1,999,097.77	2,011,250.00	12,152.23	Callable 2/24/10, then qtrly
FEDERAL HOME LOAN BANK	03/04/09	06/08/12	Aaa	AAA	4.375	2.110	1,700,000.00	1,817,907.50	1,807,576.00	(10,331.50)	
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,000,695.15	1,056,410.00	55,714.85	
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,000,917.92	2,018,760.00	17,842.08	
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	2,011,880.00	11,880.00	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,999,416.67	2,003,120.00	3,703.33	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,983,644.61	2,056,250.00	72,605.39	
FEDERAL HOME LOAN BANK	09/25/08	08/18/09	Aaa	AAA	3.750	3.231	2,000,000.00	2,003,842.79	2,024,690.00	20,847.21	
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,000,753.21	1,019,845.00	19,091.79	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,991.01	2,399,603.33	54,612.32	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,700.18	2,102,500.00	102,799.82	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,992,750.02	2,083,750.00	90,999.98	

CITY OF SANTA BARBARA
Investment Portfolio
March 31, 2009

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING		STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
			MOODY'S	S & P							
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,448,740.08	1,456,800.50	8,060.42	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,991,128.46	2,074,070.00	82,941.54	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	2,009,380.00	9,380.00	Callable 5/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,982,343.09	2,064,060.00	81,716.91	
FEDERAL HOME LOAN BANK	09/25/08	09/25/09	Aaa	AAA	3.250	3.250	2,000,000.00	2,000,000.00	2,023,440.00	23,440.00	
FEDERAL HOME LOAN BANK	10/15/08	07/15/11	Aaa	AAA	4.000	4.002	2,000,000.00	2,000,000.00	2,012,190.00	12,190.00	Callable 7/15/09, once
FEDERAL HOME LOAN MTG CORP	03/24/09	03/24/14	Aaa	AAA	3.500	3.500	2,000,000.00	2,000,000.00	2,005,500.00	5,500.00	Callable 6/24/09, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	996,382.85	1,014,120.00	17,737.15	
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,986,777.71	2,082,340.00	95,562.29	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,042,120.00	42,120.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	2,000,160.00	160.00	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,988,819.26	2,054,100.00	65,280.74	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,004,280.00	4,280.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,969,742.90	2,075,780.00	106,037.10	
FEDERAL NATL MORTGAGE ASSN	03/18/09	09/18/12	Aaa	AAA	2.500	2.500	2,000,000.00	2,000,000.00	2,013,440.00	13,440.00	Callable 3/18/11, once
FEDERAL NATL MORTGAGE ASSN	03/23/09	03/23/12	Aaa	AAA	2.000	2.000	2,000,000.00	2,000,000.00	2,005,940.00	5,940.00	StrNt, Callable 9/23/10, once
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,990,230.10	2,075,630.00	85,399.90	
FEDERAL NATL MORTGAGE ASSN	02/27/09	02/24/12	Aaa	AAA	2.250	2.250	2,000,000.00	2,000,000.00	2,017,820.00	17,820.00	Callable 2/24/11, once
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	2,053,130.00	53,130.00	Callable 3/05/10, once
Subtotal, Federal Agencies							84,495,000.00	84,458,375.05	86,376,814.83	1,918,439.78	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,258,395.75	2,286,990.00	28,594.25	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aa2	AA+	6.125	5.100	2,000,000.00	2,034,518.70	2,022,000.00	(12,518.70)	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aa2	AA+	4.625	5.300	2,000,000.00	1,994,382.63	1,994,380.00	(2.63)	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aa2	AA+	4.000	5.000	1,000,000.00	998,125.44	999,750.00	1,624.56	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aa2	AA+	3.250	5.060	2,000,000.00	1,993,026.12	1,994,160.00	1,133.88	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aa1	AA+	4.250	5.140	2,000,000.00	1,984,550.86	2,009,980.00	25,429.14	
WELLS FARGO & CO.	05/30/07	01/12/11	A1	AA	4.875	5.260	2,000,000.00	1,987,603.39	1,976,740.00	(10,863.39)	
WELLS FARGO & CO.	10/10/06	08/09/10	A1	AA	4.625	5.000	2,000,000.00	1,990,805.77	1,974,980.00	(15,825.77)	
Subtotal, Corporate Securities							15,250,000.00	15,241,408.66	15,258,980.00	17,571.34	
SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	06/30/09	-	-	6.500	6.500	7,800,000.00	7,800,000.00	7,800,000.00	0.00	
Subtotal, SBA Note							7,800,000.00	7,800,000.00	7,800,000.00	0.00	
TOTALS							161,645,000.00	161,599,506.71	163,547,594.83	1,948,088.12	

**CITY OF SANTA BARBARA
Investment Portfolio
March 31, 2009**

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
-------------	------------------	------------------	---------------------------------	----------------	-----------------	---------------	---------------	-----------------	---------------------	----------

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.

**CITY OF SANTA BARBARA
Fiscal Agent Investments
March 31, 2009**

	CASH & CASH EQUIVALENTS Book & Market	Guaranteed Investment Contracts (GIC) Book & Market	STOCKS		BONDS		US GOVT & AGENCIES		TOTALS	
			Book	Market	Book	Market	Book	Market	Book	Market
BOND FUNDS										
<i>RESERVE FUNDS</i>										
2004 RDA - Housing Bonds	215.57	-	-	-	-	-	-	-	215.57	215.57
2002 Municipal Improvement - Refunding COPs	6,607.14	547,530.00	-	-	-	-	-	-	554,137.14	554,137.14
2002 Water - Refunding COPs	7,943.11	1,088,268.76	-	-	-	-	-	-	1,096,211.87	1,096,211.87
1994 Water - Revenue Bonds	19,800.76	757,680.00	-	-	-	-	-	-	777,480.76	777,480.76
2002 Waterfront - Reference COPs	405,716.51	1,393,262.50	-	-	-	-	-	-	1,798,979.01	1,798,979.01
1992 Seismic - Safety Bonds	87,465.15	-	-	-	-	-	-	-	87,465.15	87,465.15
Subtotal, Reserve Funds	527,748.24	3,786,741.26	-	-	-	-	-	-	4,314,489.50	4,314,489.50
<i>PROJECT FUNDS</i>										
2001 RDA Bonds	3,512,558.73	-	-	-	-	-	-	-	3,512,558.73	3,512,558.73
2003 RDA Bonds	-	22,430,248.67	-	-	-	-	-	-	22,430,248.67	22,430,248.67
2004 Sewer Revenue Bonds	3,755,974.05	1,357,140.00	-	-	-	-	-	-	5,113,114.05	5,113,114.05
Subtotal, Project Funds	7,268,532.78	23,787,388.67	-	-	-	-	-	-	31,055,921.45	31,055,921.45
Subtotal Bond Funds	7,796,281.02	27,574,129.93	-	-	-	-	-	-	35,370,410.95	35,370,410.95
POLICE/FIRE - SVC RETIREMENT FUND										
Police/Fire Funds	135,127.06	-	202,010.69	189,383.34	-	-	-	-	337,137.75	324,510.40
	135,127.06	-	202,010.69	189,383.34	-	-	-	-	337,137.75	324,510.40
TOTAL FISCAL AGENT INVESTMENTS	<u>7,931,408.08</u>	<u>27,574,129.93</u>	<u>202,010.69</u>	<u>189,383.34</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,707,548.70</u>	<u>35,694,921.35</u>

Notes:

- (1) Cash & cash equivalents include money market funds.
- (2) Market values have been obtained from the following trustees: U S Bank, Bank of New York and Santa Barbara Bank & Trust

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNCIL OF THE CITY OF SANTA BARBARA APPROVING AN ATTORNMENT AGREEMENT BETWEEN THE CITY OF SANTA BARBARA, AS LESSOR, H. OLIVER DIXON, INC., AS LESSEE, AND BUSINESS FIRST BANK, A DIVISION OF HERITAGE OAKS BANK, AS LENDER, PERTAINING TO LEASE AGREEMENT NO. 21,810 DATED NOVEMBER 1, 2005

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

In accordance with the provisions of Section 521 of the Charter of the City of Santa Barbara, that certain attornment agreement between the City of Santa Barbara, as Lessor, H. Oliver Dixon, Inc., as Lessee, and Business First Bank, as Lender, allowing Business First Bank to cure any default of Lease Agreement No. 21,810, dated November 1, 2005, on behalf of H. Oliver Dixon, or to provide a substitute tenant, subject to the Airport's approval, in case of foreclosure of the loan; in order to provide continued use of the vehicle parking lot adjacent to the Super 8 Motel, at 6021 Hollister Avenue, at the Santa Barbara Airport, is hereby approved.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009

TO: Mayor and Councilmembers

FROM: Creeks Division, Parks and Recreation Department

SUBJECT: Resolution Authorizing Financial Assistance Agreements With The State Water Resources Control Board In The Amount Of \$3,941,585 For Non-point Source Pollution Treatment Projects

RECOMMENDATION:

That Council adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Authorizing Entering into Financial Assistance Agreements with the State Water Resources Control Board and Designating a Representative to Sign the Financial Assistance Agreements, and any Amendments Thereto.

DISCUSSION:

On February 17, 2009, the American Recovery and Reinvestment Act of 2009 was signed into law by President Obama. This act appropriates additional economic stimulus funds for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The California Clean Water State Revolving Fund (CWSRF) will receive approximately \$280 million from this bill. The CWSRF modified their existing loan program to distribute a portion of these monies as grants to fund nonpoint source pollution control projects throughout the state.

Although competition is extremely high for these stimulus funds, the Creeks Division has submitted 3 grant applications for projects that conform to the funding agency's grant requirements. These projects were selected by staff because they create jobs, build green infrastructure, and will be ready for construction when the CWSRF begins awarding stimulus funding. The CWSRF guidelines require a resolution authorizing the applicant's representative to execute a financial assistance agreement. Council approved such a resolution at its April 7, 2009 meeting. However, since that time, SWRCB attorneys have modified the required resolution format. The proposed resolution conforms to the new guidelines.

Creeks Division projects proposed for the CWSRF grant program include:

- Catch Basin Inlet Storm Drain Screens Project – installation of retractable screens on all City storm drain inlets to prevent trash and debris from entering the creeks and beaches, while still allowing storm water flows to pass.
- Parking Lot Stormwater Retrofit Project at Downtown Parking Lot #4 – construction of an infiltration well for the treatment of storm water and urban runoff. This is a Low Impact Development (LID) demonstration project.
- Upper Las Positas Creek Restoration & Storm Water Management Project – construction of vegetated swales, basins, and pocket wetlands that capture and treat urban storm water runoff from adjacent neighborhoods and the municipal golf course.

BUDGET/FINANCIAL INFORMATION:

The Creeks Division requested a total of \$3,941,585 in grant funding through this program. Of that amount, \$1,789,388 in grant funds will be used for the Storm Drain Screens Project, combined with \$184,612 of Measure B matching funds. For the Parking Lot Stormwater Retrofit Project, \$500,000 is proposed in grant funds with \$100,000 of Measure B matching funds. Finally, staff will request \$1,652,197 from the CWSRF for the Upper Las Positas Creek Project, with \$314,398 of Measure B matching funds. Measure B matching funds for all proposed projects are included in the Creeks Division Capital Fund.

SUSTAINABILITY IMPACT:

These projects are designed to reduce several types of water quality pollutants, including trash, sediment, nutrients, and heavy metals. The Las Positas Creek project also includes several acres of creek habitat restoration

PREPARED BY: Cameron Benson, Creeks Restoration/Water Quality Manager

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

APPROVED BY: City Administrator's Office

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SANTA BARBARA AUTHORIZING ENTERING INTO FINANCIAL ASSISTANCE AGREEMENTS WITH THE STATE WATER RESOURCES CONTROL BOARD AND DESIGNATING A REPRESENTATIVE TO SIGN THE FINANCIAL ASSISTANCE AGREEMENTS, AND ANY AMENDMENTS THERETO

WHEREAS, the City of Santa Barbara is authorized to enter into a financial assistance agreements with the State of California and the State Water Resources Control Board; and

WHEREAS, the City of Santa Barbara authorizes the Parks and Recreation Director, or designee, to sign the financial assistance agreements, and any amendments thereto in a form acceptable to the City Attorney; and

WHEREAS, the City of Santa Barbara agrees and further does authorize the aforementioned representative or his/her designee to certify that the City of Santa Barbara has and will comply with all applicable federal and state statutory and regulatory requirements related to any financial assistance funds received; and

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

1. The City Council hereby approves and confirms the above stated Whereas clauses.
2. City of Santa Barbara Resolution No. 09-018, approved by the Council on April 7, 2009, is hereby repealed.



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009

TO: Mayor and Councilmembers

FROM: Creeks Division, Parks and Recreation Department

SUBJECT: Professional Services Contract Amendment With The University of California, Santa Barbara For Microbial Source Tracking

RECOMMENDATION:

That Council authorize the Parks and Recreation Director to amend a professional services agreement with the University of California, Santa Barbara (UCSB) to increase the scope of work in order to conduct additional microbial source tracking in support of the Creeks Division's Laguna Channel Watershed and Water Quality Improvement Feasibility Study, and to increase amount of compensation by \$26,201 from Measure B funds, bringing the total contract amount to \$76,193.

DISCUSSION:

Background

On February 5, 2008, Council authorized the Parks and Recreation Director to award professional services contracts to Geosyntec Consultants and UCSB to complete the Laguna Channel Watershed and Water Quality Improvement Feasibility Study, to be funded by a State Clean Beaches Initiative Proposition 50 grant. The scope of work for each contract and the watershed study have been completed; however, the Creeks Division seeks to amend the microbial source tracking contract with UCSB to complete additional work prior to moving forward with design of a water quality improvement project.

Laguna Channel Watershed Study

The goals of the Laguna Channel Watershed and Water Quality Improvement Feasibility Study were to quantify sources of microbial contamination, including indicator bacteria and human fecal pollution, entering the Laguna Channel and to identify project(s) that will lead to improved water quality at East Beach during dry weather. Flow from the channel contributes to high indicator bacteria levels and associated beach warnings at East Beach. Prior to the study, it was not known if the indicator bacteria were of human origin, which poses the greatest risk to human health when swimming. Field work conducted by

Geosyntec Consulting included collecting water samples and flow measurements in storm drains, the Laguna Channel, and the Laguna Lagoon. Microbial source tracking work, conducted by UCSB, included testing samples for indicator bacteria and DNA-based signs of human fecal pollution.

The final project report delivered to the City identifies the consistent presence of human waste markers in several locations within the Laguna watershed, including sites within the storm drain network and in the open channel. The report recommends that the City take several steps for identifying and/or reducing sources of indicator bacteria and human fecal pollution prior to design and installation of an ultraviolet disinfection facility at the site of the Laguna Channel Pump Station. Specifically, the report recommends testing for indicator bacteria and human fecal pollution in the storm drain network upstream of Ortega Park and in the storm drain running along Laguna Street. The City has identified additional testing sites in the Santa Barbara County Flood Control District storm drains that discharge to the ocean near the Laguna Channel. Testing of these locations will determine whether additional contamination is reaching recreational waters near the discharge of the Laguna Channel.

BUDGET/FINANCIAL INFORMATION:

The initial professional services contract with UCSB was \$49,992. The additional \$26,201 included in the proposed amendment will bring the total contract cost to \$76,193. A grant from the State Water Board's Clean Beaches Initiative Proposition 50 Grant Program funded the initial contract. The \$26,201 contract amendment will be funded with Creeks Division Capital Program funds.

SUSTAINABILITY IMPACT:

Improving the quality of water in creeks within the City is critical for protection of water quality at the beaches. The goal of the project is to improve water quality at East Beach.

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

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

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 560.04

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009

TO: Mayor and Councilmembers

FROM: Engineering Division, Public Works Department

SUBJECT: Increase Professional Services Change Order Authority For The Santa Barbara Airport Consolidated Rental Car Project

RECOMMENDATION:

That Council approve additional Change Order expenditure authority for Professional Services Contract No. 22,857 with Earth Systems Pacific, due to the discovery of an underground storage tank, for the Santa Barbara Airport Consolidated Rental Car Project, in the amount of \$37,500, for a total change order expenditure authority of \$43,501.28.

DISCUSSION:

PROJECT DESCRIPTION

The Airport Consolidated Rental Car Project (Project) includes the development of a vacant 3.4-acre site, located at 25 David Love Place, into a consolidated rental car facility that provides the rental car agencies serving the Airport a location in which to fuel, perform minor services (oil changes, fluid checks, tire repair, etc.), wash and store vehicles. This Project is necessary as the terminal project will demolish the building currently serving as the facility for cleaning returned rental vehicles.

This work was awarded by Council on July 1, 2008, to Pat McCarthy Construction for \$6,326,550, including a Change Order authority of \$632,655. Also awarded in the same action was a contract to Earth Systems Pacific in the amount of \$85,732.50, including a Change Order authority of \$6,001.28. Earth System's scope of work included site grading inspection and materials testing, and all special inspection and materials testing for the building.

INCREASE CHANGE ORDER AUTHORITY

To date, Pat McCarthy Construction has completed approximately 50% of the work on this Project. Earth Systems Pacific has completed approximately 75% of their work, as the majority of the site grading and structural steel installation is complete. However, Earth Systems Pacific has experienced additional expenses based on unforeseen

conditions at the site. The additional expenses are due primarily to the discovery of a buried 30,000 gallon underground storage tank and of buried rubble and petroleum hydrocarbon contaminated soil. Each of these conditions has facilitated the need for additional inspection and testing, and as such, the request for an increase in Change Order authority for Earth Systems Pacific.

The following summarizes the proposed contract change order expenditures for Earth Systems Pacific recommended in this report:

CHANGE ORDER FUNDING SUMMARY

Original Authorized Change Order Allowance (10%)	\$6,001.28
Authorized Change Orders To Date	\$6,001.28
Remaining Change Order Funds	\$0.00
Proposed Additional Allowance	\$37,500.00
Total Proposed Change Order Allowance	\$43,501.28

The following chart summarizes the contract authorizations:

CONTRACT FUNDING SUMMARY

	Basic Contract	Change Funds	Total
Earth Systems Pacific	\$85,732.50	\$6,001.28	\$91,733.78
Additional Authorization	\$0.00	\$37,500.00	\$37,500.00
Total Recommended Authorization	\$85,732.50	\$43,501.28	\$129,233.78

FUNDING

The cost of the facility will be paid for over time by a \$10 "Customer Facility Charge" (CFC) levied on each airport rental car contract. The CFC has been in place since January 2006 and approximately \$2 million has already been collected.

PREPARED BY: Owen Thomas, Principal Engineer/LR/sk

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009

TO: Mayor and Councilmembers

FROM: Administration Division, Parks and Recreation Department

SUBJECT: Challenge Cost Share Agreement Between The City Of Santa Barbara, County Of Santa Barbara, And United States Department Of Agriculture Forest Service, Los Padres National Forest

RECOMMENDATION:

That Council authorize the Parks and Recreation Director to enter into a Challenge Cost Share Agreement for \$10,000 with the County of Santa Barbara (County) and the United States Department of Agriculture Forest Service, Los Padres National Forest (Forest Service) for implementation of the Front Country Trails Management Recommendations.

DISCUSSION:

Background

Located within the front range of the Santa Ynez Mountains, the Santa Barbara Front Country Trails (FCT) include: Jesusita, Tunnel, Rattlesnake, West Fork Cold Springs, East Fork Cold Springs, San Ysidro, and Romero Canyon. Largely within the Los Padres National Forest, the FCT provide over 30 miles of trails for equestrians, hikers, trail runners, and mountain bikers. Historically, the Forest Service has managed and maintained the FCT. In recent years, management of the trails has become more challenging due to reduced funding, increased use, and trail conflicts. Although originally constructed and maintained for equestrian use, and popular as hiking trails, use of the FCT has expanded to include cross country and downhill mountain biking.

In an effort to begin addressing these issues and broaden management responsibility for the FCT, the City, County, and Forest Service formed the FCT Multi-Jurisdictional Task Force in 2006. The purpose of the Task Force was to develop recommendations to foster comprehensive and coordinated management of the FCT. After many public meetings and stakeholder input, the Task Force completed a set of management recommendations for the FCT in February 2008. These recommendations were accepted by the City Council, County Board of Supervisors, and the Los Padres Forest Supervisor in May 2008. At that time, the City Council and the Board of Supervisors also directed staff to develop a cooperative agreement among the three agencies that would guide comprehensive and coordinated management of the Santa Barbara FCT system.

Challenge Cost Share Agreement (CCA)

The CCA is the mechanism by which the Forest Service enters into cooperative agreements with other governmental agencies and private organizations. The CCA establishes the terms of the partnership and provides the framework for agencies to share costs and resources as well as transfer of funds between agencies. A CCA is in place for up to 5 years, and any funding associated with the agreement is approved on an annual basis.

The purpose of the CCA between the City, County, and Forest Service is to establish a partnership for the purposes of implementing the 2008 FCT Management Recommendations. Developed by the three agencies, the CCA establishes the intent and expectations of the partnership, respective agencies roles and responsibilities, and the planning and decision-making framework. The CCA outlines shared commitments of all three agencies, such as:

- Develop cooperative procedures and practices that establish trail use standards for general public use and for those uses that require permits.
- Produce and approve a FCT management strategy and funding plan for trails planning, management, and project priorities, and establish an annual operating and capital project budget.
- Work cooperatively to prepare an annual work plan that identifies common projects resulting in interagency cost efficiencies.
- Develop, to the extent practicable, operating procedures and standards to ensure joint accomplishments of FCT management activities.
- Designate a staff liaison for purposes of discussing and resolving coordination matters.
- Establish mechanisms to allow the transfer of funds between agencies for specific purposes.
- Establish an inter-agency coordinator for implementation of the FCT Strategy and funding plan, grant writing, education and outreach, and coordination with trail user groups and volunteers.

The CCA also provides the framework for the three agencies to jointly fund projects that benefit the FCT system. To better define these costs and institutionalize the partnership, City, County, and Forest Service staff will be developing a work plan that outlines short-term and long-term resource needs. It is anticipated that the three agencies will also seek grant opportunities for specific projects and work closely with the trails community. Given limited staff resources and funding, trails organizations and volunteers will be critical to the successful implementation of the recommendations.

BUDGET/FINANCIAL INFORMATION:

Once signed by all 3 agencies, the proposed CCA would be in place until September 30, 2013. For the first year of the agreement, the three agencies propose that each agency contribute \$10,000 for a total of \$30,000. These funds would be used to support the inter-agency coordinator and the development of the FCT Strategy and multi-year work plan. These funds would also support agency efforts to coordinate and train trails organizations to implement volunteer trail maintenance projects. The City's \$10,000 share is included in the Parks and Recreation Department's proposed Fiscal Year 2010 budget.

SUSTAINABILITY IMPACT:

In addition to providing valuable recreation opportunities to South Coast residents, the Santa Barbara front country of the Los Padres National Forest provides valuable natural habitat including oak and riparian woodlands, grasslands, coastal sage scrub, and chaparral. The Los Padres National Forest is home to more than 468 fish and wildlife species. Sustainable management of the FCT will ensure that these habitats and the species they support are protected and enhanced.

PREPARED BY: Jill E. Zachary, Assistant Parks and Recreation Director

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

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 230.02

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009
TO: Mayor and Councilmembers
FROM: Administrative Division, Finance Department
SUBJECT: Community Promotion Contract With Semana Nautica

RECOMMENDATION:

That Council authorize the Finance Director to execute a community promotion contract for Fiscal Year 2009 with Semana Nautica in the amount of \$3,182 for May 1, 2009, to August 31, 2009.

DISCUSSION:

City Council adopted the Fiscal Year 2009 Budget on June 24, 2008, which included community promotion funding for the Semana Nautica organization to host Santa Barbara's 72nd Annual Summer Sports Festival from July 1, 2009, to July 12, 2009. This contract will help support general expenses for this event. The term of the contract extends over the period of May 1, 2009, through August 31, 2009.

PREPARED BY: Jennifer Hopwood, Executive Assistant

SUBMITTED BY: Robert D. Peirson, Finance Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009

TO: Mayor and Councilmembers

FROM: Administrative Services Department

SUBJECT: Possible Charter Amendments Affecting The Architectural Board Of Review, Harbor Commission, Park Commission And Recreation Commission, And Residency Requirements

RECOMMENDATION: That Council:

- A. Discuss interest in possible charter amendments pertaining to the size and composition of the Architectural Board of Review, Harbor Commission, Park Commission and Recreation Commission; and residency requirements for boards and commissions; and
- B. Provide direction to staff on how to proceed.

DISCUSSION:

On prior occasions, Council has discussed the following potential charter amendments:

ARCHITECTURAL BOARD OF REVIEW

- Reduce the size of the Board from nine to seven members
- Modify the City requirement that all members be City residents/electors to allow less than a majority of the board members to be County residents

HARBOR COMMISSION

- Expand the size of the Harbor Commission from five to seven members
- Allow one of the members of the commission to be a non-city resident

PARK COMMISSION AND RECREATION COMMISSION

- Consolidate the Park Commission and the Recreation Commission, thereby creating a single commission named the Park and Recreation Commission
- Increase the membership of the Park and Recreation Commission from five to seven Commissioners

Council Agenda Report

Possible Charter Amendments Affecting The Architectural Board Of Review, Harbor Commission, Park Commission And Recreation Commission, And Residency Requirements

April 28, 2009

Page 2

RESIDENCY REQUIREMENT OF COMMISSIONERS AND BOARD MEMBERS

- Modify the City Charter to eliminate the requirement, as applicable, that all of the members of City boards and commissions be City residents/electors and to allow for some board members or commissioners to be County residents

With one exception, all of the above charter amendments continue to have some degree of interest. However, recently the Park Commission and the Recreation Commission, which have the same members and meet jointly, are not recommending expanding the size of the commission from five to seven members should the commissions be combined.

Directors from the corresponding departments who staff the Board and Commissions will be at the meeting to answer questions.

SCHEDULE/NEXT STEPS

If the Council wants to move forward with Charter amendments, the following steps and schedule apply:

<u>DATE</u>	<u>ACTION</u>
May/June	If needed – discussion with affected Boards and Commissions.
6/9/09	City Attorney to return to Council with proposed ballot language.
6/30/09	City Council to adopt resolutions calling and giving notice of the general municipal election, including proposed charter amendments, and directing the City Attorney to prepare impartial analyses.
11/3/09	Hold election on Tuesday, November 3, 2009.
11/24/09	Present canvass to Council and adopt resolution certifying election results.
12/1/09	City Clerk to forward certified copies of voter-approved Charter Amendments to Secretary of State for acceptance and filing.
TBD	Charter Amendments become effective after acceptance and filing by the Secretary of State.

SUBMITTED BY: Marcelo A. López, Administrative Services Director

APPROVED BY: City Administrator's Office



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009

TO: Mayor and Councilmembers

FROM: Planning Division, Community Development Department

SUBJECT: Appeal Of Planning Commission Decision For 1900 Lasuen Road,
El Encanto Hotel

RECOMMENDATION: That Council:

- A. Deny the appeal filed by Marc Chytilo, attorney for Jan and Johanna von Yurt, Robert and Elizabeth Leslie, and Farrokh and Sally Nazerian;
- B. Uphold the Planning Commission adoption of the Mitigated Negative Declaration and approval of the Modifications, Development Plans and Transfer of Existing Development Rights for the Revised Master Plan proposed at 1900 Lasuen Road (MST2007-00140); and
- C. Direct staff to prepare a Council Resolution documenting the decision of the City Council, making findings consistent with the Council decision, and specifying the conditions of approval, as amended by Council.

EXECUTIVE SUMMARY:

On February 12, 2009, the Planning Commission approved the proposed Revised Master Plan for the El Encanto Hotel. Subsequently, an appeal of the Planning Commission approval was filed (see Attachment 1). The appeal letter expresses concerns that the neighbors, who reside to the north of the project site, will be adversely affected by the proposed project, and that the El Encanto Hotel will lose its historic charm and features, with the primary concern being the proposal in the northwest corner. The appeal letter incorporates by reference previous comments provided in a letter to the Planning Commission, dated 2/9/09 and a comment letter, dated 1/15/09 (see Attachment 4, Final Initial Study/Mitigated Negative Declaration).

The proposed project was reviewed by both the Planning Commission and Historic Landmarks Commission on many occasions. All substantial issues included in the appeal letter have been previously addressed in the public hearings, staff report, and Final Initial Study/Mitigated Negative Declaration. It is staff's position that the Planning Commission appropriately considered all relevant issues pertaining to the application and made the appropriate findings to approve the proposed project. Therefore, staff recommends that the Council deny the appeal and uphold the approval of the project.

DISCUSSION:

Background

A Master Plan for the El Encanto Hotel was approved by the Planning Commission in 2004. A Historic Structures/Sites Report, dated December 2002, which evaluated the level of significance of each building on the property and analyzed potential impacts of the proposed Master Plan, was accepted by the Historic Landmarks Commission (HLC). The report concluded that impacts to historic resources caused by the 2004 Master Plan were less than significant.

Just prior to the approval of the project, the ownership of the property changed. Subsequently, as the new project team proceeded through the next stages of the project, it was determined that a number of changes to the project would be necessary and as a result, the applicant submitted requests for Substantial Conformance Determinations from staff. Changes involving Cottages 4, 27, 28 and the Main Building, were reviewed by the Planning Commission and/or the HLC in 2006 and 2007. Following the Planning Commission or HLC review, staff approved the changes as being in substantial conformance with the 2004 Master Plan approval. In 2006, the Staff Hearing Officer approved a modification to allow a minor addition to Cottage 11 to encroach into the interior setback. Changes involving Cottage 12 were approved in 2008. No potentially significant environmental impacts were identified and the changes were found to be categorically exempt from further CEQA review.

The applicant decided that further changes to the property would be necessary; therefore, a Revised Master Plan application was submitted. Each component was reviewed separately by the HLC on a number of occasions. The HLC minutes are attached to the Planning Commission Staff Report (see Attachment 2). On July 17, 2008, the Planning Commission held a concept review hearing on the Revised Master Plan. At that time, the applicant proposed that the Revised Master Plan be processed in two Phases. Phase One would consist of the Central Plant (now known as the "utility distribution facility") in the northwest corner and Phase Two would consist of remaining components. The Commissioners stated that there was support for the phasing of the project as proposed.

The applicant moved forward with the Central Plant as a separate application, and it received Planning Commission approval on August 21, 2008. The approval was subsequently appealed by neighbors who were concerned about the location and potential noise associated with the Central Plant. In response to the appeal, the applicant withdrew the Central Plant application and proceeded with a Revised Master Plan that included both phases.

On November 12, 2008, the HLC considered the Revised Master Plan and accepted the associated Historic Structures Report. Staff then prepared a Draft Initial Study/Mitigated Negative Declaration for the proposed project, and on January 8, 2009, the Planning Commission held an environmental hearing to review the document. The appellants submitted a 27 page comment letter with more than 200 pages of attachments. This letter, as well as other comment letters and staff's response, is included in the Final Mitigated Negative Declaration.

On February 12, 2008, the Planning Commission approved the Revised Master Plan. During the hearing, in response to comments made by the Planning Commission, the applicant stated that the above-ground portion of the utility distribution facility would be relocated out of the setbacks along Mission Ridge Road and Alvarado Place, thereby eliminating the need for the associated setback modifications. The underground portion of the proposal remains the same. With this revision to the plan, the Planning Commission adopted the Final Mitigated Negative Declaration (vote 7-0) and approved the project (vote 6-1). Subsequently, an appeal of the decision was filed by the neighbors.

Project Description

The proposed project is a Revised Master Plan for the El Encanto Hotel consisting of the following components: 1) a predominantly underground utility distribution facility, and a surface valet parking lot with an underground operations facility below, in the northwest corner; 2) Mission Village, consisting of 5 new cottages with an underground valet parking garage below in the northeast corner; 3) new Cottages 27 and 28, which were previously approved and then eliminated; and 4) a swimming pool with a fitness center below it. The proposal also includes the realignment of the sandstone wall at the main driveway entrance on Alvarado Place, and a new trash enclosure, screening gate, retaining walls and landscaping at the service area adjacent to the Main Building.

The Revised Master Plan includes a reduction in the number of guest rooms from 97 to 92 through a reconfiguration and combination of some guest rooms; however, the proposal includes a request to retain the entitlement for 97 rooms, so that if needed in the future, five additional rooms could be created through reconfiguration of the interiors of the existing cottages. The proposed project does not include an increase in the number of employees.

Below is a table that summarizes what was previously approved in a particular area of the site and what is currently being proposed as part of the Revised Master Plan.

Amenity	2004 Approval and Subsequent Substantial Conformance Determinations	Proposed
Northeast Corner	Renovation of 3 existing cottages and reconfigured parking lot	Demolition of 3 existing cottages, and construction of an underground parking garage with 5 cottages above (Mission Village).
Northwest Corner	Relocate 3 historic cottages onsite (completed); construction of a 52 space, surface valet parking lot	Construction of the utility distribution facility, a 43 space surface parking lot, with an operations facility underneath.
Cottages 27 and 28	Approved in 2004, but eliminated as part of Substantial Conformance Determination	Proposal to reinstate the approvals for Cottages 27 and 28.
Swimming Pool and Fitness Center	Remodel existing pool, expand the pool deck, and place fitness center below the dining room in the main building.	Relocate pool to the east, and place fitness center underneath the pool and pool deck.
Service Area	Parking spaces, loading area	Add trash enclosure, screening gate, retaining wall, landscaping. Move 4 parking spaces into the Mission Village underground parking garage, reconfigure entrance for better circulation.

The hotel has been closed since September 2006 due to construction activities associated with the approved Master Plan (and subsequent substantial conformance determinations) which include the addition of five new cottages, the onsite relocation of three historic cottages, the exterior alteration of four cottages, the interior renovation of all existing cottages, the removal of the tennis court, and the rebuilding of the main building.

Because the main appeal issue is the proposal for the northwest corner, this component is further described below. Detailed descriptions of the other components of the Revised Master Plan are included in the Planning Commission Staff Report (see Attachment 2).

Proposal for the northwest corner: As part of the 2004 Master Plan, three historic cottages (17, 18 and 19) were to be relocated from the northwest corner of the property, and the surface parking lot was to be resurfaced and enlarged to provide 52 valet parking spaces. A modification to allow the parking lot to encroach into the setbacks was approved. Although the historic cottages have been relocated to the center of the site and are undergoing restoration, the new owners decided that the approved plan for the northwest corner did not meet their needs. The Revised Master Plan includes a new design for this corner, which consists of the utility distribution facility and a surface valet parking lot with an operations facility underneath.

The main purpose of the utility distribution facility is to provide condensed water of appropriate temperature, which is used to help heat and cool the buildings. The utility distribution facility is described as an alternative to installing heating and ventilating equipment to each individual cottage, with their associated exterior equipment, such as condensers and vent pipes, etc. On January 25, 2006, the Historic Landmarks Commission reviewed three air conditioning units on cottages being renovated under the 2004 Master Plan and determined that the individual HVAC units were unacceptable. The applicant was told to explore other options.

The majority of the 2,796 square foot utility distribution facility would be located underground, and encapsulated with a concrete lining and acoustical silencers. Two small, one-story structures connected by a trellis element would be above ground. The structure on the west side (approx. 311 sq. ft.) would contain the electrical switch gear and the structure on the east side (approx. 620 sq. ft.) would contain a portion of the condensed water cooling equipment. A plaster wall and trellis would screen air ventilation equipment and silencers.

Originally, the project included a modification request to allow the northwest corner of the utility distribution facility to have a 17-foot setback instead of the required 30-foot setback from both Alvarado Place and Mission Ridge Road, and to allow a small portion of the trellis and a portion of the air intake area (approximately 18" high) to encroach into the required 30-foot front setback from Mission Ridge Road. During the February 12, 2009, Planning Commission hearing, the applicant stated that they would relocate the above-ground portion of the utility distribution facility out of the setbacks, thereby eliminating the need for the modifications. Because the Planning Commission approved the project with the relocation of the utility distribution facility out of the setback, the applicant will be required to submit a new plan that reflects the change. This plan will be reviewed by staff to verify that it will comply with all other requirements and will require approval by the HLC.

The surface valet parking lot would consist of 43 parking spaces, and would be screened by a perimeter wall. Five tree wells would be incorporated into the design to accommodate new trees. A modification is requested to allow the surface valet parking lot to have a 10'-7" setback instead of the required 30-foot front setback from Alvarado Place. The proposed surface parking lot would be approximately the same distance (10') from the property line along Alvarado Place as the existing parking lot and the

parking lot that was approved in 2004. The proposed surface parking lot would be at a lower elevation than Mission Ridge Road and adequate landscaping would be provided at this location.

The 8,773 square foot, underground operations facility would be located below the parking lot and would be used for "back of house" operations for the hotel such as on-site laundry services, staff lockers, storage, and staff offices. According to the applicant, the 2004 Master Plan did not plan for adequate back of house facilities. It would also include a 743 square foot storage area that would extend underneath Cottage 29 (a cottage approved with the 2004 Master Plan) located directly to the east.

The applicant states that both the utility distribution facility and the operations facility are integral components of the hotel. Therefore, it should be recognized that these components will need to be accommodated onsite, whether in the northwest corner as proposed or elsewhere. If these components are not approved as presented, a new proposal would need to be submitted by the applicant. Staff is concerned that another location may be difficult to find that meets operational needs and also address HLC concerns regarding the visibility of the equipment.

Appeal Issues

The appeal letter appeals all of the actions made by the Planning Commission in regard to the proposed project. As stated previously, the letter incorporates by reference, a letter to the Planning Commission dated February 9, 2009 (see Attachment 1) and the January 15, 2009 comment letter regarding the Draft Initial Study/ Mitigated Negative Declaration (see Attachment 4, Final Initial Study/ Mitigated Negative Declaration). The issues in each of these letters are substantially the same and have been addressed by staff in the response to comment section of the Final Mitigated Negative Declaration. A summary of the relevant appeal issues is provided below.

Northwest Corner: The main area of concern for the neighbors who reside to the north of the hotel is the proposal for the northwest corner. Their concern is that this corner will change from being relatively quiet to one that would impact them adversely due to increased noise and activity. The neighbors state that it would be more appropriate to place the utility distribution facility, valet parking lot, and operations facility to another area of the site.

Response: Noise: An acoustical analysis and follow-up addendum (Newsom Brown Acoustics, November 20, 2008 and January 27, 2009) were prepared for the proposed project. These reports analyze, among other things, the future cumulative noise environment that will result from the operation of the proposed project. The utility distribution facility proposed for the northwest corner would generate noise levels of 26 dB(A) at the closest residential property line. Taken together with noise from the general operation of the hotel and traffic, average ambient noise levels at the hotel's property lines would be well below the City's standard of 60 dB(A) Ldn in residential

neighborhoods; therefore, the proposal for the northwest corner would not be expected to adversely affect the neighbors in the surrounding area.

Design Review: On July 9, 2008, the HLC reviewed the utility distribution facility and surface valet parking lot with operations facility below. The HLC stated that it did not object to having surface parking in the northwest corner but commented that the parking lot should be lowered and should have a 60-foot-long screening wall, with at least five feet in height at the lowest point, to block vehicle headlights. Also, the Commission stated that both lighting and noise should be minimized as much as possible, and as many eucalyptus trees as possible should be preserved. The applicant has addressed these issues by submitting revised plans that maximize the screening of the parking lot by lowering the surface parking lot elevation, and providing a site wall ranging from approximately 5 to 7 feet and additional landscaping.

Historic Resources: The 2008 Addendum to the Historic Structures Report, accepted by the HLC on November 12, 2008, identifies a group of five eucalyptus trees, located along Alvarado Place in the northwest corner as historically significant, not as individual trees but as a group that is part of the hotel setting. The report found that removal of the trees for reasons other than health and safety concerns would constitute a significant impact to historic resources. The applicant accepted a mitigation measure that states the trees shall be retained unless a City-approved arborist report concludes that their preservation is not feasible or recommended due to their existing condition relative to life expectancy, disease, or safety reasons. At the hearing, the HLC made the following comment: "Acceptance of the report does not confer the Commission's acceptance of the current configuration of the utility distribution facility and garage as shown in the drawings." This statement is in reference to the fact that a redesign of the surface parking lot along the western perimeter may be required in order to preserve these trees and not that the overall design of the proposal is unacceptable. All final designs will be required to obtain preliminary and final approval by the HLC.

The Addendum to the Historic Structures Report, and Initial Study/ Mitigated Negative Declaration concludes that the project will not result in any significant, unmitigable impacts to historic resources.

Neighborhood Compatibility: Staff has determined that the proposal satisfies the intent of the Resort-Residential Hotel zone because it consists of components that are necessary for the operation of the existing resort hotel, and the environmental document concluded that all impacts would be less than significant. The lack of significant environmental impacts and the addition of substantial landscaping and noise mitigation measures will ensure the least possible conflict with adjoining residential areas. Also, with the relocation of the utility distribution facility out of the setbacks, the project will become more compatible with the surrounding area.

Environmental Review: The appellants express concerns regarding the need for an Environmental Impact Report and more environmental review.

Response: As noted above, the Planning Commission approved a Master Plan for the project site in 2004. Environmental review was performed for the 2004 Master Plan approval and the substantial conformance determinations. In each case, the previous projects were determined to not result in any potentially significant environmental impacts, and were deemed categorically exempt from further CEQA review pursuant to Section 15301 Existing Facilities and 15303 New Construction.

Potential environmental impacts resulting from the proposed project are considered in relation to an environmental baseline. The baseline considered in the Initial Study/ Mitigated Negative Declaration includes the existing physical environment and that development allowed and currently being constructed under the approved 2004 permit and subsequent substantial conformance determinations consistent with guidance from CEQA case law. Where the proposed project would potentially add an incremental adverse impact in a specific resource category, potential cumulative impacts from past, present, and reasonably foreseeable future projects are considered in the analysis. No substantial evidence has been presented in the Initial Study/ Mitigated Negative Declaration or comments received that there is a potential for the project, as mitigated, to result in project specific or cumulative impacts exceeding the significance thresholds accepted by the City. Therefore, a mitigated negative declaration is the appropriate environmental document.

The following is a summary of relevant resource categories.

Aesthetics: The proposed project would not block public views from Mission Ridge Road, Orpet Park, or any other public viewing location. The existing cottages located in the northeast corner are below the elevation of Mission Ridge Road and do not appear to block views across the hotel site from residences located uphill to the north. The new Mission Village cottages proposed for this northeast corner would be approximately the same height as the existing cottages and therefore, would not change any existing views. Additionally, other proposed buildings would be located further away from Mission Ridge Road and at a lower elevation due to the slope of the site and therefore, would not block any existing views across the site. The HLC has reviewed all components of the Revised Master Plan and given the design positive comments.

Historic Resources/ Landscaping: All proposed exterior changes, including architectural and landscape design, for the El Encanto Hotel require review and approval by the Historic Landmarks Commission (HLC); therefore, each component of the Revised Master Plan was reviewed by the HLC. In addition, an addendum to the 2002 Historic Structures/Sites Report, dated November 9, 2008, evaluated the proposed Revised Master Plan, and was reviewed and accepted by the HLC. This addendum and the previous 2002 report evaluate the historic nature and potential impacts to landscaping on the project site. The report also evaluates the current proposal in relation to the entirety of the site and previous approvals. The Initial Study includes a discussion regarding impacts to historic resources. The primary landscape features, including the pergola, lily pond, rockery, and wishing well, which were identified as historically significant in the 2002 Historic Structures/Sites Report are being preserved. The report

concludes that the project will not result in any significant, unmitigable impacts to historic resources.

Other issues:

Non-residential square footage: The appellants express concerns regarding square footage allocations and the transfer of existing development rights.

Response: In the early 1990s, three parcels were merged, which resulted in a total of 14,148 square feet being available for allocation on the merged parcel (3,000 square feet per parcel, vacant parcel square footage and demolition credit for a laundry building that had burned down). When the Master Plan was approved in 2004, a total of 8,010 square feet was allocated and 6,138 square feet remained. Subsequently, as part of a substantial conformance determination, Cottages 27 and 28 were eliminated and all but 883 square feet of the square footage of the cottages was transferred to the basement of the Main Building. The unallocated 883 square feet, when added to the 6,138 square feet that was not allocated as part of the 2004 Master Plan approval, results in a total of 7,021 square feet of non-residential floor area remaining available for the project site. The proposed Revised Master Plan would require a total of 17,021 square feet of non-residential floor area allocation. Since this amount exceeds the remaining available square footage, the project includes a request to transfer the additional 10,000 square feet of floor area from another site (210 - 222 East Yanonali Street) within the city through the transfer of existing development rights process allowed by the Zoning Ordinance. The Ordinance does not preclude the transfer of commercial square footage from the downtown to a project such as this.

Historic Landmarks Commission Review: The appellants express concerns regarding SBMC Section 22.22.145 and the deliberations by the Historic Landmarks Commission.

Response: SBMC Section 22.22.145 contains project compatibility criteria to be considered by the HLC during deliberations of a project and conveyed to the Planning Commission. The HLC extensively reviewed each component of the proposed Revised Master Plan and provided its comments on the proposal to the Planning Commission for consideration. Section 22.22.145 does not require the compatibility review or comments to take any particular form.

RECOMMENDATION:

Staff recommends that Council deny the appeal; uphold the decision of the Planning Commission to adopt the Final Mitigated Negative Declaration and approve the proposed project; and direct staff to prepare a Council Resolution documenting the decision of the City Council, making findings consistent with the Council decision, and specifying the conditions of approval.

NOTE: Attachments 1 – 3 and 5 are available for review in the City Clerk’s Office and on the City’s website at: <http://www.santabarbaraca.gov/CAP/>.

The Final Initial Study/Mitigated Negative Declaration (Attachment 4) and project plans have been delivered to the Mayor and Council separately and are available for public review in the City Clerk's Office.

The Final Initial Study/Mitigated Negative Declaration is also available on the City website at http://www.santabarbaraca.gov/Resident/Environmental_Documents/1900_Lasuen_Road.

- ATTACHMENTS:**
1. Appeal letter dated 2/23/09; letter to PC dated 2/9/09
 2. Planning Commission Staff Report, dated 2/12/09, without Exhibit A (Conditions of Approval) & D (Final MND)
 3. Planning Commission Minutes and Resolution, dated 2/12/09
 4. Final Initial Study/Mitigated Negative Declaration (under separate cover)
 5. Site Plan

PREPARED BY: Kathleen Kennedy, Associate Planner

SUBMITTED BY: Paul Casey, Community Development Director

APPROVED BY: City Administrator's Office

LAW OFFICE OF MARC CHYTILO

ENVIRONMENTAL LAW

February 23, 2009

RECEIVED
FEB 23 2009
3:15 p.m. BA
CITY CLERK'S OFFICE
SANTA BARBARA, CA

Clerk of the City of Santa Barbara
City Hall
Post Office Box 1990
Santa Barbara, California 91301

RE: Appeal of Planning Commission Action February 12, 2009, 1900 Lasuen Road, El Encanto Hotel

Dear Clerk:

Please accept this letter in appeal of the approval of the four modifications, two development plan approvals, transfer of development rights approval, approval of the Mitigated Negative Declaration, adoption of conditions, findings, and all other actions undertaken by the Santa Barbara Planning Commission on February 12, 2009 concerning 1900 Lasuen Road, aka El Encanto Hotel, (hereafter "Approvals"). Santa Barbara Municipal Code ("SBMC") Chapter 1.30. The Appellants, each represented by this office, are Jan and Joanna von Yurt, Robert and Elizabeth Leslie, and Farrokh and Sally Nazarian, each residents of Mission Ridge Road adjacent to the El Encanto Hotel project site.

Although the appellants are residents, this appeal is supported in this appeal by dozens of City residents and several community organizations. The appellants are concerned both that the Approvals are unnecessarily and will substantially and adversely affect their quiet enjoyment of their properties and that the Approvals will cumulatively result in the loss of the El Encanto Hotel's historic charm and features.

The City has engaged in improper piecemeal processing of serial permit revisions dating almost immediately after the 2004 Planning Commission approval of the Master Plan. This piecemeal planning has led to demolition of historical buildings previously identified for renovation, the replacement of existing historical buildings with substantially larger and taller buildings, the incremental destruction of the majority of the site's historical landscaping, the premature relocation of three historical structures while the applicant revised plans for replacement development, and frustration of members of the Historic Landmarks Commission. The review that did occur was cursory - there has been no formal environmental review of any aspect of the 2004 Master Plan or any of the subsequent modifications and substantial conformity determinations - everything has been determined exempt from CEQA until the instant Project was submitted.

The Approvals improperly enable extensive building in setbacks, authorize exemptions from a number of zoning requirements, include improper Measure E allocations and involve transferring

MARC CHYTILO
P.O. Box 92233 • Santa Barbara, California 93190
Phone: (805) 682-0585 • Fax: (805) 682-2379
Email: airlaw5@cox.net

downtown commercial TDR Credits onto the El Encanto Hotel site in a manner that is incompatible with and detrimental to the surrounding area and exceeds City Charter §1508. The findings associated with the Planning Commission Approval are not supported by evidence and the conditions are inadequate to achieve compliance with the zoning ordinance. The Project is not appropriate in size, scale, use and configuration for the neighborhood and as proposed, is not beneficial for the community.

The Planning Commission improperly found that the Project conforms to the applicable R-H zoning, which requires that resort-residential hotel be developed and operated in such a way as "to insure the least possible conflict with or disturbance of the amenities attached to and associated with adjoining residential areas." SBMC §28.27.005.

The Planning Commission improperly made its approvals in reliance upon a Mitigated Negative Declaration ("MND") when the record contains substantial evidence supporting a fair argument of potential significant adverse Project impacts upon the environment. Applicant-proposed mitigation measures are ineffective and unrealistic. An environmental impact report ("EIR") is required, and Project Approval without first preparing an EIR violates CEQA.

This appeal is also based on the landowner's failure to fulfill their duty to maintain the historic El Encanto Hotel and its landscaping, designated as a Santa Barbara Structure of Merit, to preserve it against decay and deterioration as required by SBMC § 22.22.070. Specifically, the historical landscaping and historic landscape design concept has been destroyed by serial and piecemealed site renovations, relocations of structures, and removal of landscape plants and features.

The Planning Commission Approval is flawed due to the misrepresentation of the deliberations and conclusions of the Historic Landmarks Commission concerning the compatibility of certain portions of the Project, in particular the Utility Distribution Facility and Valet Parking Structure, with the surrounding community and the acceptability of these proposed design and configuration of these two structures. The Historic Landmarks Commission's Project Compatibility Analysis relied on by staff and the Planning Commission failed to include public consideration of the criteria at SBMC § 22.22.145, as required by § 22.22.145.C.2 and thus fails to conform to the requirements of the municipal code.

The Planning Commission Approval violates the City Charter § 1506 since the height of several buildings exceeds thirty feet and two stories when calculated in accordance with the City's adopted height calculation methodologies.

The Planning Commission Approval violates the growth limitations enacted as § 1508 of the City Charter and the specific limitations established at SBMC § 28.87.300 et seq. through the improper and excessive allocation of Measure E's Minor and Small Addition allotments. Additionally, the Planning Commission Approval utilized incorrect numbers that overstated the

size and area of buildings authorized for demolition and for which credit was taken and relied upon to authorize the Approvals. Portions of the Project, including the Mission Village Podium Parking Structure, were not included in the square footage calculations for new development.

At the Planning Commission hearing, the applicant substantially modified the Project by purporting to relocate the aboveground portions of the Utility Distribution Facility outside the setback, which led the Planning Commission's majority to reverse its preliminary position. No designs or plans were provided, leaving the public to speculate about the amendments and this appeals contends that the changes must be adequately described to determine whether the need for other modifications is triggered. The Utility Distribution Facility was proposed as an integral part of the Valet Parking Structure, which the applicant did not remove from the setback. It is unclear how these structures are affected by the applicant's changes, and rather than request additional information, the Planning Commission improperly approved them at an apparent conceptual level, but taking final action without first obtaining final drawings and revised Project information. Similarly, the Planning Commission relied on an erroneous characterization that the Mission Village hotel room structures were considered separate structures on the basis that there would be dirt piled between them, while in fact the Mission Village hotel room structures are constructed on a single unified foundation (the Mission Village Podium Parking Structure) and are correctly defined as a single building.

This appeal will be supplemented by additional information and argument. We are awaiting the minutes of the Planning Commission hearing on February 12, 2009, mandatory notices of determinations, and an opportunity to review documents submitted to the record in advance of and at the February 12, 2009 hearing that are not available in advance of the filing deadline for this appeal.

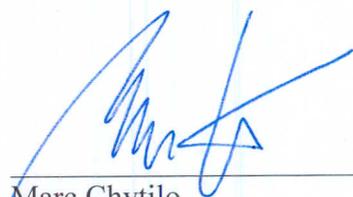
This appeal incorporates by reference the issues, argument and evidence identified in this office's letter to the Planning Commission dated February 9, 2009, and our comments on the draft Mitigated Negative Declaration, including all exhibits and comments submitted by experts as part of those comments. These incorporated documents are each in the City's possession, however additional copies may be provided upon request.

While the appellants desire that the El Encanto Hotel complete its renovations promptly and reopen expeditiously, it is important that the approvals reflect the sensitivity of the site, the need to respect the surrounding residences and avoid disproportional impacts on any one group of homes, and that the City's planning requirements be properly adhered to. Our attempts to address and resolve our concerns with Orient Express have been met with defiance and gamesmanship. We implore the Council to recognize the rights of neighbors to a fair and equitable allocation of the Project's impacts to surrounding residences, and to reject the location of the entirety of the Project's "back of house" facilities in the previously historic and quiet northwest corner of the site.

Clerk of the City of Santa Barbara - Appeal - 1900 Lasuen Road
February 23, 2009
Page 4

Sincerely,

LAW OFFICE OF MARC CHYTILO



Marc Chytilo

LAW OFFICE OF MARC CHYTILO

ENVIRONMENTAL LAW

February 9, 2009

Planning Commission for the
City of Santa Barbara
Attn: Planning Commission Secretary
630 Garden Street
Santa Barbara, California 93102

By Email:
PCSecretary@SantaBarbaraCA.gov

RE: El Encanto Hotel Master Plan Revision Negative Declaration

Dear Chair Larson and Honorable Members of the Planning Commission:

This office represents several families with homes adjacent to the El Encanto hotel. While these families have specific concerns regarding the impacts that the City's past and present approval of incremental changes to the Hotel and its grounds have had and will have on the quiet tranquility of their neighborhood, they also have a larger concern over the City's process for considering the environmental consequences of land use permitting decision, and the City's compliance with CEQA. The El Encanto Hotel is a community resource, with its historic and picturesque grounds set adjacent to Orpet Park and the Riviera campus. CEQA's environmental review process benefits the entire community, and the errors and non-compliance identified in our comment letter on the draft Mitigated Negative Declaration (DMND) letter are of broad community concern. We request that members of the Commission review those comments and the exhibits. References to Exhibits in this letter are the Exhibits attached to the Negative Declaration comments.

Many of the comments submitted on the DMND present substantial evidence supporting fair arguments that the Project may have significant environmental impacts. Substantial evidence in the record includes the fact-based expert opinions of an architect, historian, visual expert, and acoustical engineer, as well as documentary evidence and the observations of area residents on non-technical issues. The comment responses fail to recognize this substantial evidence and improperly rely on evidence from the City and Applicant's experts as justification for the City's failure to prepare an EIR. This approach is contrary to CEQA's very clear mandate that where substantial evidence in the record supports a fair argument that the Project may cause significant environmental effects, an EIR must be prepared even if substantial evidence also supports the opposite conclusion. *Sundstrom v. County of Mendocino* (1988) 202 Cal. App. 3d 296, 309. We therefore request that the Commission require the preparation of an EIR for the El Encanto Hotel Master Plan Revision ("Project").

MARC CHYTILO
P.O. Box 92233 • Santa Barbara, California 93190
Phone: (805) 682-0585 • Fax: (805) 682-2379
Email: airlaw5@cox.net

I. Introduction

The landowners surrounding the El Encanto Hotel have worked successfully with prior hotel owners and operators, who respected the nature of the residential community and accommodated neighborhood concerns and values. This has not proven possible with the new owners, much to the disappointment of these residents.

The root of the community concern is the decision to move all of the “back of house” hotel operations to the northwest corner of the site. The northwest corner has long been a quiet, residential zone with three cottages and a small parking lot, extensive landscaping and trails connecting to the rest of the site. The three cottages were relocated and in their place a 10,000 square foot underground operations facility, with a laundry facility of unknown size and detail, staff facilities, and offices were proposed. To the north, in setback areas and underground, is proposed a new utility distribution facility with boilers, chillers and extensive heavy machinery. Atop these facilities will be a parking structure for valet parking. When that lot fills, Project cars will be valet parked at the proposed Mission Village podium parking structure, causing substantial numbers of new car trips on the roads along the northern side of the Hotel.

Neighbors living to the north and west of the site have raised their concerns with hotel managers, but of late, have been belittled and ignored. What was once a productive, positive relationship has devolved and it is now clear that Orient Express Trains, Hotels and Cruises has no interest in considering or accommodating the wellbeing of their neighbors. They apparently believe that the City is so desperate for revenues that neighborhood concerns can be ignored. Certainly the neighbors too want the Project construction completed and the construction fencing, lights, noise and interruptions to end, and their beloved El Encanto Hotel reopened. But El Encanto Hotel must play by the same rules that everyone else must abide, and must find a way to insure that their activities and operations will have the least possible conflict with the adjoining residential uses, as required by the zoning ordinance. As proposed, these conflicts have been exacerbated, not ameliorated, and thus the surrounding community must insist on a renewed planning effort to ensure that the El Encanto Hotel, once approved, will be a community resource that all can be proud of, and that will ensure the best possible harmony among neighbors.

II. Technical Issues

a. CEQA Requires Preparation of an EIR

CEQA “creates a low threshold requirement for initial preparation of an EIR and reflects a preference for resolving doubts in favor of environmental review when the question is whether any such review is warranted.” *League for Protection of Oakland’s Architectural and Historic Resources v. City of Oakland* (1997) 52 Cal. App. 4th 896, 904-905; Public Resources Code § 21151. CEQA provides that public agencies must prepare an EIR if the record contains

substantial evidence supporting a fair argument that the project may have a significant effect on the environment. *League for Protection*, 52 Cal. App. 4th at 904. “If there was substantial evidence that the proposed project might have a significant environmental impact, evidence to the contrary is not sufficient to support a decision to dispense with preparation of an EIR and adopt a negative declaration.” *Sundstrom* 202 Cal. App. 3d at 309 (emphasis added). “Substantial evidence is “enough relevant information and reasonable inferences from this information that a fair argument can be made to support a conclusion, even though other conclusions might also be reached” and includes “facts, reasonable assumptions predicated upon facts, and expert opinion supported by facts” CEQA Guidelines, § 15384 (a-b); Pub. Resources Code § 21080 (e)(1) -(2). “[C]redible expert testimony that a project may have a significant impact, even if contradicted, is generally dispositive; and under such circumstances, an EIR must be prepared.” Guide to CEQA, 11th Ed., Remy et. al (2007), p. 262.

Comments submitted on the El Encanto DMND including credible expert testimony, present substantial evidence supporting a fair argument that the El Encanto Project may cause significant environmental effects. The comment responses fail to acknowledge the significance of this evidence, relying exclusively on the contrary opinions of the City and Applicant’s experts. The existence of expert opinion that the Project will not have significant environmental effects however is irrelevant to the threshold question of whether an EIR is required where, as here, the record contains substantial evidence showing the potential for significant impacts. CEQA Guidelines, § 15384 (a-b); *Sundstrom* 202 Cal. App. 3d at 309; Guide to CEQA at p. 262.

i. Substantial evidence of potentially significant visual impacts

The El Encanto Hotel is located in an area of extraordinary scenic value that offers panoramic views of Santa Barbara, the Pacific Ocean and the Channel Islands. The aesthetics of the hotel and grounds itself are a highly valued community asset. Numerous public comments including letters submitted by experts present substantial evidence supporting a fair argument that the Project may cause significant aesthetic impacts to the hotel and neighborhood. The comment responses disregard much of this substantial evidence, and inappropriately rely on the opinion of HLC as authoritative evidence of no significant impact.

Visual expert Ken Doud articulates in his comment letter “In my opinion, the potential for significant visual impacts is present due to the magnitude of the changes proposed for that portion of the El Encanto Hotel project that abuts in Mission Ridge Road.” Doud Comment Letter, Exhibit 21 to the LOMC comment letter. Mr. Doud also stated “It is my opinion that the proposed Project’s impacts to visual resources, when combined with the visual resource impacts associated with these other approvals and renovations, cause a considerable and substantial cumulative impact to the visual resources on the site and to the site from surrounding areas . . . [i]nclud[ing] the loss of screening vegetation, the substantial alteration of scenic views along the publicly accessible roads, and the addition of new building and walls visible and potentially visible from off-site and private residences.” *Id.* This fact-based expert opinion constitutes

substantial evidence supporting a fair argument that the Project may have significant aesthetic impacts, and therefore an EIR is required for the Project. Pub. Resources Code § 21080 (e)(1) - (2); Guide to CEQA, p. 262.

The comment response appears to misconstrue CEQA's definition of substantial evidence, stating that the Doud letter "does not provide any additional information that would constitute substantial evidence of potential significant visual impacts." Comment Response 3-4(e). Mr. Doud is a visual expert, and his comment letter expresses his fact-based opinion that the Project may have significant aesthetic impacts. Under CEQA, Mr. Doud's comments constitute substantial evidence and as such an EIR is required for the Project. *Id.*

The opinions of area residents regarding the Project's aesthetic impact provide further substantial evidence supporting a fair argument of potential aesthetic impacts. *Ocean View Estates Homeowners Ass'n Inc. v. Montecito Water District* (2004) 116 Cal. App. 4th 396, 402. Robert and Elizabeth Leslie, neighbors to El Encanto stated in their written comments on the DMND "the Character, Charm and Ambiance of this old hotel has been significantly impacted and reduced to the public who both live, walk and drive by the El Encanto (The Enchanted Place) on Mission Ridge and Alvarado." Leslie Comment Letter, p. 2. The Leslies go on to discuss visual impacts related to the north-west corner of the site, stating "[a] further negative impact on our neighborhood is the view from Mission Ridge and Alvarado which will be negatively impacted by having to look at a stucco 5 foot fence and around the parking lot and housing for the Central Utility Power Plant versus the historical 3 lovely old cottages and a botanical garden setting." *Id.* p. 3.

The Leslies raise an additional aesthetic issue, the obstruction of public views and private views across the Project site to the Arlington steeple, blocked by the height increase in the new Main Building. Architect Trevor Martinson presents documentary evidence including panoramic and close-up photographs showing the extent of view obstruction. Martinson Comment Letter, pp. 4-5 and Exhibits L and M. While construction of the Main Building has already been approved on a substantial conformity determination, it was improper to piecemeal out that segment of the hotel renovation such that it is not subject to environmental review. *See Burbank-Glendale-Pasadena Airport Authority v. Hensler ("Burbank Airport")* (1991) 233 Cal. App. 3d 577, 592. Moreover, visual impacts caused by the Main Building are relevant for the assessment of cumulative aesthetic impacts.

The comment responses do not even address most of the above substantial evidence, including the expert opinion of Mr. Martinson, supported with documentary evidence and the opinion of area residents. *See* responses 4-1 – 4-4. In response to the Leslies' letter, the comment response again reveals the misconstruction of CEQA which pervades the comment responses, specifically citing the opinion of HLC as somehow overriding other substantial evidence. *See* Comment Response 5-1. CEQA is clear that where the record contains substantial evidence supporting a fair argument that the Project may have significant aesthetic impacts, substantial evidence to the

contrary does not relieve the City of the obligation to prepare an EIR. *Sundstrom* 202 Cal. App. 3d at 309.

ii. Substantial evidence of potentially significant impacts to historic resources

Historian Mary Louise Days submitted written comments on the DMND, in which she details numerous deficiencies in the document, and states that an EIR is required. Ms. Days states “[t]he significance of the site and the substantial nature of the project’s impacts, including demolition, alteration, and a complete remake of the site are the bases of a potential significant impact, and an Environmental Impact Report is required.” Days Comment Letter, p. 3.

The comment response refers readers to a separate response (to Mr. Kellam deForest’s statement that an EIR is required), which provides a cursory response that once again misconstrues CEQA’s definition of substantial evidence. Here, Ms. Days, a bona fide expert in assessing impacts to historic resources, stated that in her expert opinion, the Project may significantly impact historic resources. This expert opinion constitutes substantial evidence and as such an EIR is required for this Project.

iii. Substantial evidence of potentially significant noise impacts

The Project includes new valet parking facilities and a “utility distribution facility” in close proximity to sensitive residential uses. The MND relies on an acoustical study with numerous defects and inadequacies as the sole basis for its conclusion that with mitigation, the Project will not cause significant noise impacts.

Acoustic expert Matthew McDuffee of Acentech reviewed the MND and acoustical study, and provided seven pages of substantive comments on the acoustical analysis and the Project’s noise impacts. These comments raise numerous deficiencies in the acoustical study prepared by Newsom Brown, including ambient noise measurements, traffic noise modeling, and assessment of the adequacy of proposed mitigation. Acentech Comment Letter, Exhibit 15 to the LOMC Comment Letter. Mr. McDuffee concludes that “the traffic noise level increase was potentially understated in the Newsom Brown report, which led to the incorrect “less than significant” statement issued in the Mitigated Negative Declaration and Draft Initial Study.” *Id.* p. 7. This fact-based expert opinion constitutes substantial evidence that the Project may cause significant noise impacts, and as such an EIR is required by CEQA.

The Comment response states that Newsom Brown prepared an addendum to address the concerns raised in the Acentech report. Comment Response 3-10. The Newsom Brown addendum merely attempts to explain each of the deficiencies raised in the Acentech report and does not provide any new data. The City cannot use this addendum to trump the substantial evidence presented by Acentech and somehow avoid preparing an EIR. Mr. McDuffee provided extensive evidence that the acoustical study performed for the MND is woefully inadequate and

the Newsom Brown addendum does not correct these deficiencies. CEQA does not permit an agency to hide behind its own failure to collect relevant data and “[d]eficiencies in the record may actually enlarge the scope of fair argument by lending a logical plausibility to a wider range of inferences.” *Sundstrom v. County of Mendocino* (1988) 202 Cal. App. 3d 296, 311.

iv. Substantial evidence of potentially significant land use impacts

CEQA provides that conflicts with applicable policies designed at least in part to mitigate or avoid a project’s effect on the environment are potentially significant land use impacts. CEQA Guidelines Appendix G; *Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903, 930. The Project does not comport with zoning requirements and conflicts with the intention of Zoning Ordinance to “insure the least possible conflict with or disturbance of the amenities attached to and associated with adjoining residential areas.” S.B.M.C. § 28.27.005. The MND is absolutely silent on the issue of land use conflicts with surrounding communities, constituting either a gross oversight or a snub to adjoining landowners. Staff admits to being “aware of the concerns of the neighbors for sometime” (response to comments # 3-8) but makes no effort to examine the nature of these concerns, and more importantly, fails to evaluate the potential for conflict between the commercial hotel activities and the surrounding residential uses. The relevance and significance of this analysis is underscored by the zoning ordinance itself, as cited above, which establishes a duty by the City to “insure” least possible conflict. The term “insure” connotes an active obligation to secure performance, and cannot be interpreted to condone ignorance of the issue. Given that the analysis omits any evaluation of the issue, and the community has established a clear record of concerns, the environmental review document and Staff Report are each deficient for this omission.

Additional evidence of the significance of the land use incompatibility issues presented by this Project is found in the various numerical limitations embodied in the municipal code, zoning ordinance and General Plan. The Project also exceeds square footage allowed by CC&Rs applicable to the property and allocates an impermissible amount of square footage from the Minor and Small Addition categories of allowable square footage for nonresidential construction projects in violation of the Municipal Code. *See* S.B.M.C. § 28.87.300. The limitations on square footage are designed for the purpose of avoiding or mitigating significant environmental impacts, and substantial evidence of conflicts with such policies triggers the need to prepare an EIR. *See Pocket Protectors*, 124 Cal. App. 4th at 930.

The responses to the extensive discussion of land use impacts in our DMND comments and also in the comments of Architect Martinson and others misunderstand the significance of policy conflicts to the Project’s land use impact analysis. For example, our letter on the DMND observes that “[t]he MND completely omits a central category of Project impacts associated with the existence of incompatible land uses. [citations omitted] Omitting an entire class of potential impacts renders the MND inadequate.” LOMC Comment Letter, p. 20. The response to this comment incorrectly equates land use incompatibility with the specific noise, traffic and

historical impacts and concludes that because the MND found no significant impact after mitigation, there are no land use incompatibility issues. *See* Comment Response 3-8. This explanation misses the thrust of the numerous public comments discussing land use incompatibility, which is that the Project's failure to conform to so many applicable requirements demonstrates the Project's potentially significant impact to existing land uses. Comment Response 3-8 also evinces a misunderstanding of the relationship between policy conflicts and environmental impacts, stating that because the Zoning Ordinance allows modifications from setback requirements, that the Project's failure to conform with the setback requirements "is not an environmental issue."

The Staff Report deftly avoids one of the biggest issues of concern to the community, the utility distribution facility located in the northwest corner. The Staff Report relies extensively on the Historic Landmarks Commission review of many design review and, apparently, community compatibility issues (even though this is not in the Historic Landmarks Commission's charter and members of the public were admonished at the Historic Landmarks Commission meetings to narrowly focus their comments). The Staff Report and environmental review documents omit the Historic Landmarks Commission's November 12, 2008 discussion, wherein the Commission's minutes state: "Acceptance of this report does not confer the Commission's acceptance of the current configuration of the Utility Distribution Facility and garage as shown in the drawings." Exhibit 5. Staff prefers to cite an earlier hearing, before the Historic Landmarks Commission was made aware of the Project's piecemealing and when the applicant had insisted upon special approvals of the utility distribution facility to meet what were described as time-critical approvals. Given that the applicant has halted all work on the site and withdrew the application for a separate utility distribution facility approval, that justification was spurious. The Historic Landmarks Commission subsequently expressed dissatisfaction with the piecemeal review process and staff's confusing presentation format. The November 12, 2008 Historic Landmarks Commission minutes, and the individual comments expressed by members of the Historic Landmarks Commission, constitute substantial evidence supporting a fair argument of potentially significant Project land use compatibility impacts.

The fact that the Project requires so many exceptions from established requirements, and further directly violates the Municipal Code's limitation on allocating square footage from the Minor and Small Addition categories, constitutes substantial evidence supporting a fair argument that the Project may cause significant land use impacts. *See Pocket Protectors*, 124 Cal. App. 4th at 930.

v. Substantial evidence of potentially significant cumulative impacts

The proposed Project follows in a wake of numerous incremental and piecemealed substantial changes to the hotel and grounds including the complete demolition of the Main Building and its replacement with a taller and more massive building that is considerably bulkier than the previous building. The historic cottages in the Northwest corner were relocated without

memorializing the surrounding landscaping, and the serene quality of that northwest corner was completely eliminated by the removal of most of the landscaping around the three cottages with no mechanism for replacement using historically relevant plants and arrangements. Eucalyptus trees on the northern perimeter of the site, of the same vintage and thus presumably possessing the same character of the eucalyptus trees identified as historic by HLC, were cut down by the site owner without mitigation. The applicant began asking for modifications and changing the entitlements within months of the final approval of the Master Plan, beginning with a phasing process and leading to six substantial conformity determinations and a modification, prior to this request. None of those substantial conformity determinations or the modification underwent environmental review, and they cumulatively and adversely affected the site's historical resources, visual qualities and neighborhood compatibility. The previously approved demolitions and other changes establish that the Project will have cumulatively significant impacts including aesthetic, historic, and land use impacts.

b. Inadequate Responses to Comment

As discussed above, the responses to comment failed to recognize the substantial evidence submitted and improperly relied on their experts and evidence while disregarding experts with contrary opinions. It is well established that substantial evidence cannot be overridden by other substantial evidence to avoid preparation of an EIR. *Sundstrom* 202 Cal. App. 3d at 309. The existence of a clash of experts is itself indicates that an EIR must be prepared. Experts Doud, Martinson, Days and McDuffee provided their fact based opinion that the Project may have significant environmental impacts. Because this expert opinion is in the record, the Commission must direct the preparation of an EIR. Any decisions undertaken in reliance upon the MND constitute violations of CEQA.

c. Square Footage Issues

The Project involves the placement of a large amount of new square footage and activity onto a highly constrained site. These site constraints include its visibility by roadways that have scenic importance, its historic features and character, and the surrounding neighborhood.

i. Allocation Violates the Municipal Code

The Project requests an allocation of 7,021 square feet of non-residential square footage from the Minor Addition and Small Addition categories of allowable square footage for nonresidential construction projects. Staff Report, p. 2. Municipal Code section 28.87.300 however, provides that the "combined total of Minor and Small Additions shall not exceed a cumulative total of three thousand (3,000) square feet." The Project site consists of only one parcel (APN 019-170-022) and thus the allocation of 7,021 square feet from the Minor and Small Addition categories directly violates the Municipal Code. Any permit issued in violation of § 28.87.300 is null and void. §29.98.001.

ii. Approval Violates Recorded Covenants, Conditions and Restrictions
Expressly Benefitting the Surrounding Community

The City's prior approval of expanded development on the site in 2004 is codified in Covenants, Conditions and Restrictions that, by their face, were required and recorded to benefit landowners surrounding the Project parcel. Exhibit 4. These legally binding and enforceable limitations included a total limit on additional development on the site. *Id.*, p. 2. The application at issue adds over 17,000 square feet of additional development to this site. This increased intensity of site utilization conflicts with the recorded Covenants, Conditions and Restrictions and creates further land use conflicts with surrounding landowners.

iii. Source of transfer of development rights credits

The application relies on 10,000 square feet of transferred development rights from another site. No substantive information is provided about the sending site, other than the MND's passing reference to development approved at 210-222 East Yanonali Street. No other information has been provided, even with a specific request to the planner. The TDR provision require findings of compatibility at receiving sites, § 28.95.060, an issue that is disputed in this matter. The City must demonstrate the existence and applicability of the sending site credits and the evidence supporting the findings necessary to utilize the transfer of development rights program.

2. Procedural Issues

a. Improper Piecemealing

CEQA prohibits an agency from splitting a project into multiple segments and conducting environmental review separately on each. This approach ensures "that environmental considerations not become submerged by chopping a large project into many little ones, each with a potential impact on the environment, which cumulatively may have disastrous consequences." *Burbank Airport*, 233 Cal. App. 3d at 592.

Numerous significant changes to the previously approved Master Plan have been permitted on the basis of Substantial Conformity Determinations and modifications in a piecemeal fashion. The sum of these incremental changes to the Hotel's historic structures and landscape, and aesthetics is significant. Segmenting out discrete pieces of the El Encanto alteration and processing them before preparation of the MND dilutes the City's review process and is contrary to CEQA's prohibition on piecemealing. *Id.*

b. The Project Is too Intensive for the Site

All existing structures located along the perimeter of the hotel site encroach into the required setbacks and/or into the public right-of-way. Staff Report, p. 8. Exacerbating this non-conformity problem, the utility distribution facility would encroach into the required front setbacks along both Alvarado Place and Mission Ridge Road. *Id.* The surface valet parking lot, Mission Village Cottages 32, 33, 34 and Cottages 27 and 28 also encroach into required setbacks. *Id.*

The numerous modifications to these setback requirements belie a project too intensive for this site. New development must be scaled back to prevent overcrowding of the site and associated impacts to the surrounding neighborhood, including aesthetics.

c. Improper Reliance on HLC

The response to comment states that HLC concluded that the proposed project will not result in a “substantial negative aesthetic effect or incompatibility with surrounding land uses or structures due to project size, massing, scale, density, architectures, signage, or other design features.” P. 7. This statement is not entirely accurate, as HLC members raised substantial concern over these visual compatibility issues on a number of instances. *See* LOMC Comment Letter, pp. 13-14. Moreover, the MND’s wholesale adoption of HLC’s conclusions without independent analysis, as required by CEQA, is inappropriate. *See Friends of La Vina v. County of Los Angeles* (1991) 232 Cal. App. 3d 1446, 1452-1456.

III. Conclusion

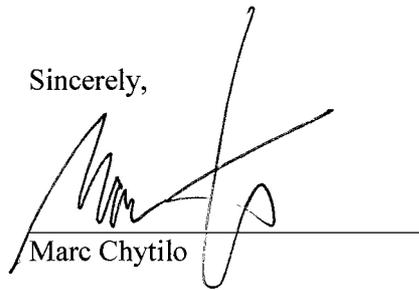
We respectfully request that the Commission refrain from approving the proposed Project until CEQA is complied with and there is clear Project compliance with the zoning ordinance and other authority governing permissible development on this site. We urge the Commission to direct the applicant to revise their plans for the utility distribution facility and the northwest corner of the site, and to work cooperatively with the community in this regard.

CEQA establishes that the environmental review document is supposed to be an environmental full disclosure document. The standard for preparation of an EIR is low -- any substantial evidence supporting a fair argument of a potentially significant impact. That threshold has clearly been crossed, and continuing with a Mitigated Negative Declaration is a disservice to the Planning Commission, the applicant and the public.

The City’s zoning ordinance, Measure E, transfer of development rights program, recorded Covenants, Conditions and Restrictions and the General Plan guide what development is appropriate at various sites in the City. After six substantial conformity determinations and a modification, the applicant now wants four more modifications and two highly questionable

allocations of additional development to this highly constrained site. This Project has grown into a large square peg that is trying to fit into a small round hole. These authorities set that standards for all development, and allowing extraordinary dispensations here renders these planning standards meaningless. The City has witnessed many developments that first seek a relatively nominal approval with limited or no environmental review, followed by an on-going series of modifications and substantial conformity determinations that dramatically change the initial approval and visit substantial incremental impacts on surrounding lands. The Planning Commission should not reward this conduct, and must ensure that the governing authorities are properly observed. This can only be achieved by denying the requested approvals for all the reasons stated above and sending the applicant back to decide what they really need, and submitting a single, complete, and fully analyzed application to gain approval.

Sincerely,



Marc Chytilo



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: February 5, 2009
AGENDA DATE: February 12, 2009
PROJECT ADDRESS: 1900 Lasuen Road (MST2007-00140)
 El Encanto Hotel
TO: Planning Commission
FROM: Planning Division, (805) 564-5470
 Danny Kato, Senior Planner *DK*
 Kathleen Kennedy, Associate Planner *KK*

I. EXECUTIVE SUMMARY

In 2004, the Planning Commission approved a Master Plan for the El Encanto Hotel. The project subsequently received several determinations of Substantial Conformance for changes. The proposed project is a Revised Master Plan for the El Encanto Hotel consisting of the following components: 1) a predominantly underground utility distribution facility and a surface valet parking lot with an underground operations facility below in the northwest corner; 2) Mission Village, consisting of 5 cottages with an underground valet parking garage below in the northeast corner; 3) new Cottages 27 and 28, which were previously approved and then eliminated in one of the project revisions that received a substantial conformance determination; and 4) a swimming pool with a fitness center below.

The proposal also includes a realignment of a small portion of the sandstone wall at the main driveway entrance on Alvarado Place to provide better circulation, and a new trash enclosure, screening gate, retaining walls and landscaping are proposed for the service area adjacent to the Main Building. The four parking spaces that were previously approved in the service area would be relocated to the Mission Village parking structure. The following table describes the proposed changes in relation to the 2004 approval.

Amenity	2004 Approval and Subsequent Substantial Conformance Determinations	Proposed
Northeast Corner	Renovation of 3 existing cottages and reconfigured parking lot	Demolition of 3 existing cottages, and construction of an underground parking garage with 5 cottages above (Mission Village).
Northwest Corner	Relocate 3 historic cottages onsite (completed); construction of a 52 space, surface valet parking lot	Construction of the utility distribution facility, an 43 space surface parking lot, with an operations facility underneath

Amenity	2004 Approval and Subsequent Substantial Conformance Determinations	Proposed
Cottages 27 and 28	Approved in 2004, but subsequently eliminated as part of a Substantial Conformance Determination	Proposal to reinstate the approvals for Cottages 27 and 28.
Swimming Pool and Fitness Center	Remodel existing pool, expand the pool deck, and place fitness center below the dining room in the main building.	Relocate pool to the east, and place fitness center underneath the pool and pool deck.
Service Area	Parking spaces, loading area	Add trash enclosure, screening gate, retaining wall, landscaping. Move 4 parking spaces into the Mission Village underground parking garage, reconfigure entrance for better circulation.

II. REQUIRED APPLICATIONS

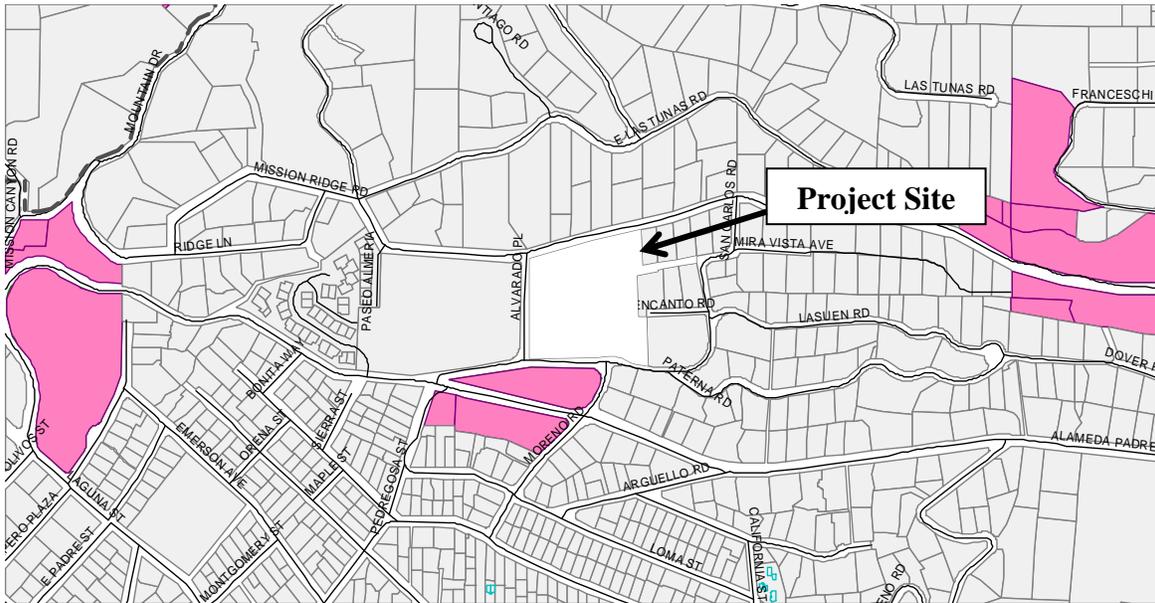
The discretionary applications required for this project are:

1. Modification to allow the utility distribution facility and Mission Village to encroach into the front setback along Mission Ridge Road (SBMC§28.27.050);
2. Modification to allow the utility distribution facility and surface parking lot to encroach into the front setback along Alvarado Place (SBMC§28.27.050);
3. Modification to allow Mission Village and Cottages 27 and 28 to encroach into the interior setback on the east side of the property (SBMC§28.27.050);
4. Modifications to provide less than the required distance between buildings (SBMC§28.27.050.2);
5. Development Plan Approval, as defined within R-H Zone standards (SBMC§28.27.100);
6. Development Plan Approval to allocate 7,021 square feet of non-residential square footage from the Minor Addition and Small Addition categories (SBMC§28.87.300); and
7. Transfer of Existing Development Rights of 10,000 square feet of non-residential floor area to the project site (SBMC§28.95).

III. RECOMMENDATION

With the approval of the requested Modifications, the proposed project conforms to the City’s Zoning and Building Ordinances and policies of the General Plan. In addition, the size and massing of the project are compatible with the surrounding neighborhood. Therefore, Staff recommends that the

Planning Commission adopt the Mitigated Negative Declaration, and approve the project, making the findings outlined in Section IX of this report, subject to the conditions of approval in Exhibit A.



Vicinity Map for 1900 Lasuen Road

APPLICATION DEEMED COMPLETE: December 16, 2008

DATE ACTION REQUIRED ON THE NEGATIVE DECLARATION: June 15, 2009

IV. SITE INFORMATION

Applicant: Trish Allen, SEPPS	Property Owner: Orient Express Hotels, Trains & Cruises
Parcel Number: 019-170-022	Lot Area: 6.77 acres (gross) ; 6.69 acres (net)
General Plan: Residential, 3 units per acre	Zoning: R-2/4.0/R-H: Two Family Residential/ 4 units per acre/ Resort-Residential Hotel Zone Overlay
Existing & Proposed Use: Hotel, Restaurant and related Facilities	Topography: Approximately 12 %
Adjacent Land Uses:	
North - Residential	East - Residential
South - Orpet Park/Residential	West - Riviera Park Research Center

V. PROJECT DESCRIPTION

The approved 2004 Master Plan included a total of 97 guest rooms. Since that time, the El Encanto Hotel was sold to the Orient Express company, which resulted in the request for the Revised Master Plan. The current proposal includes a decrease in the number of guest rooms from 97 to 92 through a reconfiguration and combination of some of the guest rooms. A guest room matrix, that identifies the number of rooms per cottage, is provided on the project plans. The current proposal includes a request to retain the entitlement for 97 rooms, so that if needed in the future, five additional rooms could be created through reconfiguration of the interiors of the existing cottages. The Revised Master Plan does not include an increase in the number of employees. The proposed project is further described below.

1) *Utility distribution facility and surface valet parking lot with operations facility below.* As part of the 2004 Master Plan, historic cottages (17, 18 and 19) were to be relocated from the northwest corner of the property, and the surface parking lot was to be resurfaced and reconfigured to provide 52 valet parking spaces. Although the historic cottages were relocated recently, the new owners decided that the approved plan did not meet their needs. The Revised Master Plan includes a new design for this corner of the property, which consists of the utility distribution facility and a surface valet parking lot with an operations facility underneath.

The main purpose of the utility distribution facility is to provide condensed water of appropriate temperature, which is used to help heat and cool the buildings. The utility distribution facility is described as an alternative to installing heating and ventilating equipment to each individual cottage, with their associated exterior equipment, such as condensers and vent pipes, etc. On January 25, 2006, the Historic Landmarks Commission reviewed three air conditioning units on cottages being renovated under the 2004 Master Plan and it was determined that the individual HVAC units were unacceptable and the applicant was told to explore other options.

The majority of the 2,796 square foot utility distribution facility would be located 17 to 22 feet underground, and encapsulated with a concrete lining and acoustical silencers. Two, small, one-story structures connected by a trellis element would be above ground. The structure on the west side (approx. 311 sq. ft.) would contain the electrical switch gear and the structure on the east side (approx. 620 sq. ft.) would contain a portion of the condensed water cooling equipment. A plaster wall and trellis would screen air ventilation equipment and silencers. A modification is requested to allow the northwest corner of the utility distribution facility to have a 17 foot setback instead of the required 30 foot front setback from both Alvarado Place and Mission Ridge Road. Also, a small portion of the trellis and a portion of the air intake area (approximately 18" high) would also encroach into the required 30 foot front setback from Mission Ridge Road.

The surface valet parking lot would consist of 43 parking spaces, and would be screened by a perimeter wall. Five tree wells would be incorporated into the design to accommodate new trees. A modification is requested to allow the surface valet parking lot to have a 10'-7" setback instead of the required 30 foot front setback from Alvarado Place.

The 8,773 square foot, underground operations facility would be located below the parking lot and would include on-site laundry services, staff lockers, storage, and staff offices. The operations facility would also include a 743 square foot storage area that would extend underneath Cottage 29 (a cottage approved with the 2004 Master Plan) located directly to the east.

2) *Mission Village with valet parking garage below.* The 2004 Master Plan included the renovation of the existing cottages (22, 23, and 24) and the reconfiguration of the surface parking lot located in the northeast portion of the site. The Revised Master Plan includes the demolition of these cottages and the construction of Mission Village. Mission Village would consist of five new cottages constructed over a partially underground parking garage with 51 valet parking spaces. The new cottages would be at the same height as the existing cottages in this area. Employee parking spaces would be located in this garage. Vehicular access to the parking garage would be from the existing driveway on Mission Ridge Road.

The existing cottages, built in 1976, consist of three, two-story detached structures containing 20 guest rooms and totaling 10,614 net square feet. The new Mission Village Cottages (30-34) would be composed of 26 guest rooms, in a combination of one and two-story structures and would total 11,434 square feet. A modification is requested to allow Cottages 32 and 33 to encroach into the required 40 foot front setback along Mission Ridge Road, and to allow Cottages 33 and 34 to encroach into the required 40 foot eastern interior setback. Because the buildings would be constructed at an angle in relation to the property lines, the distances would vary. For Cottage 32, the closest point would be 6 feet from the property line. For Cottage 33, the closest point would be 10 feet from the property line. Along the eastern interior property line, Cottages 33 and 34 would be approximately 15 feet from the property line.

3) *Cottages 27 and 28.* New Cottages 27 and 28, totaling 1,838 square feet, were previously approved with the 2004 Master Plan. These cottages were subsequently eliminated from the Master Plan when the square footage associated with the cottages was transferred to the basement level of Main Building as part of a Substantial Conformance Determination. The Revised Master Plan includes a request for the "re-approval" of Cottages 27 and 28, which consists of 3 guest rooms and a total of 1,934 square feet. Cottages 27 and 28 would be located on the east side of the property, immediately south of the proposed Mission Village area, in substantially the same location as the previous approval. There is a slight increase in square footage over the previous approval, and the orientation of the cottages has been changed as a result of comments from the Historic Landmarks Commission. A modification is requested to allow the patio of Cottage 27 to have a 19 foot setback instead of the required 30 foot setback and Cottage 28 to have a 33 foot setback instead of the required 40 foot setback along the eastern interior property line.

4) *Swimming pool and fitness center.* The 2004 Master Plan included a remodel of the existing pool with an expansion of the pool deck area. Also, a fitness center was approved to be located within the existing floor area located beneath the dining deck in the main building. The revised Master Plan would relocate the swimming pool to the west and a 2,775 square foot partially subterranean fitness center and pool equipment area would be constructed under the pool and pool deck.

Parking: The 2004 Master Plan was approved with 97 parking spaces (52 spaces in a new parking lot in the northwest corner, 33 spaces in a new parking lot in the northeast portion of the site, 11 spaces by the Main Building motor court and service area and one adjacent to Cottage 20). The Revised Master Plan would include a total of 100 parking spaces. The surface valet parking lot in the northwest corner of the project site would include 43 parking spaces, 51 spaces would be provided in the Mission Village parking structure in the northeast corner, and the remaining six parking spaces would be provided in the motor court area close to the Main Building.

VI. BACKGROUND

The project site is currently developed with the El Encanto Hotel, a resort hotel that first opened in 1918. At that time, there was a central hotel building and eight cottages. Over the course of the next two decades or so, many new cottages were either constructed or acquired through the acquisition of acreage to the east. In the 1950's, a swimming pool and some additional cottages were constructed. The last major renovation to the hotel was completed in the 1970's, when some structures were demolished and the tennis court and three new buildings were constructed. At that time, the hotel had a total of 24 buildings.

A Master Plan, approved by the Planning Commission in 2004 consisted of the addition of five new cottages (25 through 29) containing nine new guest rooms, for a total of 97 rooms and 29 cottages; a 2,251 square foot expansion and remodel of the main hotel building; the onsite relocation of three historic cottages (17, 18, and 19); the exterior alteration of four cottages (16, 22, 23, and 24); the interior renovation of all existing cottages; the reconfiguration of the parking areas and the elimination of two parking spaces for a total of 97; and the removal of the tennis court. Alterations to the main hotel building included a new entry pergola, a new loading dock and raising the lower level dining deck. A new spa, fitness center, and administrative offices were proposed within the existing under floor area located below the dining deck. The proposal also included the removal of 33 trees, the relocation of seven trees and the addition of 120 trees and other new landscaping.

A Historic Structures/Sites Report prepared by Preservation Planning Associates, dated December 2002, was accepted by the Historic Landmarks Commission on January 8, 2003. The report evaluated the level of significance of each building on the property, and analyzed potential impacts of the proposed Master Plan. (The 2002 Historic Structures/Sites Report is included as an attachment to public comment letter 3.) The report concluded that impacts to historic resources, as a result of the 2004 Master Plan, were less than significant.

Just prior to the approval of the project, the ownership of the property changed. Subsequently, as the new project team proceeded through the next stages of the project, including preliminary and final approvals by the Historic Landmarks Commission (HLC) and submittal of building permit applications, it was determined that a number of changes to the project would be necessary. Substantial structural problems were found within Cottages 4, 12 and the Main Building, and as a result, the applicant submitted requests for Substantial Conformance Determinations from Staff so that the buildings could be demolished and reconstructed.

Some changes were requested in regard to the reconstruction of the Main Building. These changes included an increase in the size of the basement, a two foot increase in height (to allow room for required mechanical equipment between the floors), and a new mechanical equipment enclosure on the roof. Cottage 4 was approved to be reconstructed, with a slight increase in square footage. Final approval from the HLC is still pending for Cottage 12.

As stated in the project description section, approvals of Cottages 27 and 28 were eliminated when the square footage associated with the cottages was transferred to the basement level of Main Building as part of a Substantial Conformance Determination. The Revised Master Plan includes a request for the "re-approval" of Cottages 27 and 28.

A Staff Hearing Officer approval was granted on December 6, 2006 for a modification to allow a minor addition to Cottage 11 to encroach into the interior setback.

Each exterior change associated with the 2004 Master Plan has been required to be reviewed and approved by the HLC. In addition, each design has been required to be evaluated in a Letter Addendum to the Historic Structures/Sites Report and accepted by the HLC. No potentially significant environmental impacts were identified and the changes were found to be categorically exempt from further CEQA review.

At the June 5, 2008, Planning Commission lunch meeting, staff presented a brief update on the El Encanto Hotel, and informed the Commission that the applicant would be submitting an application for the Central Plant separately from the other components of the Revised Master Plan. At that lunch meeting, some Commissioners requested that staff schedule a concept review at the Planning Commission in order to provide both the Commission and the neighbors with an update on the approved Master Plan and an opportunity to review the Revised Master Plan.

On July 17, 2008, the Planning Commission held a concept review hearing. At that time, the applicant presented a Revised Master Plan to be proposed in two Phases. Phase One would consist of a Central Plant (now called the utility distribution facility) and Phase Two would consist of remaining components. All other approvals associated with the 2004 Master Plan, and not part of the Revised Master Plan, would remain in effect. The applicant requested that the Central Plant component be brought separately to the Planning Commission for consideration. At the concept hearing, the Commissioners stated that there was support for the phasing of the project as proposed.

The applicant moved forward with the Central Plant as a separate application and received Planning Commission approval on August 21, 2008. The approval was subsequently appealed by a number of neighbors who were concerned about the location and potential noise associated with the Central Plant. In response to the appeal, the applicant decided to withdraw the Central Plant application and incorporate it back into the Revised Master Plan.

VII. GENERAL PLAN AND ZONING ORDINANCE CONSISTENCY

Standard	Requirement/ Allowance	Existing	Proposed
Setbacks	1-story buildings: 30' 2-story buildings: 40'	All perimeter buildings: legal, non-conforming	Encroachments requested (see below)
Building Height	Main Building only: 30 feet; Other buildings: 2 stories	Main Building: 28 feet Other buildings: 1 and 2 story	All new buildings to be 2 story except # 27 and #30
Parking	97 spaces (1 space per entitled guest room)	97 spaces approved with 2004 Master Plan	100 spaces
Distance between buildings	15 feet or the height of the taller building	Varies	Modification requested
Lot Coverage -Buildings -Open Parking & Driveways	33.33 % of lot area 33.33 % of lot area	16 % 21 %	24 % 18 %

General Plan: The project site is located in the Riviera neighborhood, which is bordered on the north by Mission Ridge Road, on the south by Alameda Padre Serra, on the east by Sycamore Canyon Road and on the west by Mountain Drive. The General Plan designation for the site and the surrounding areas is Residential, 3 units per acre. Although most of the Riviera is developed with single-family residences, the Land Use Element acknowledges that there are exceptions, including the subject property and the adjacent Riviera Park Research Center. Based on the historic development of the project site as a hotel and the General Plan's acknowledgement of certain historic exceptions to the typical residential use of the Riviera, the proposed continuation of the project site as a hotel is in compliance with the General Plan.

Modifications: The proposed project would meet the requirements of the R-H, Resort-Residential Hotel Zone, with the exception of the required front and interior setbacks and distances between buildings. In the R-H Zone, the setback requirements from all perimeter lot lines are twice the maximum front yard requirements for the underlying residential zone. In this case, the resulting setbacks are 30 feet for one-story buildings and 40 feet for two-story buildings. All of the existing structures located around the perimeter of the hotel site are legal, non-conforming, and encroach into the required setbacks, and some existing buildings, walls, and steps also encroach into the public right-of-way.

The utility distribution facility would encroach into the required front setbacks along both Alvarado Place and Mission Ridge Road; the surface valet parking lot would encroach into the front setback along Alvarado Place; Mission Village Cottages 32 and 33 would encroach into the front setback along Mission Ridge road; and Mission Village Cottages 33 and 34 and Cottages 27 and 28 would encroach into the eastern interior setback.

Staff supports the Modification requests to allow the encroachments into the setbacks, for the reasons stated below.

The proposed utility distribution facility would be located further from the property lines at the northwest corner than the previous location of Cottage 19 (the historic Cottage relocated from this corner) and the surface parking lot approved in 2004 (see previous site plans included with proposed plans). The proposed surface parking lot would be approximately the same distance (10') from the property line along Alvarado Place as the existing parking lot and the parking lot approved in 2004. The proposed surface parking lot would be at a lower elevation than Mission Ridge Road, adequate landscaping would be provided at this location, and the structures themselves would also provide both a sound and visual barrier to the new surface parking lot proposed for the area directly adjacent to the utility distribution facility.

Early on in the development of the Revised Master Plan, the applicant brought the proposal to a Planning Commission at a lunch meeting to receive comments. At that time, the Commission stated that the Mission Village setback encroachments into the setbacks would be supportable because the existing cottages already encroach in this area.

The modifications to allow the patio of Cottage 27, a one-story structure, to encroach into the required 30 foot setback and a portion of Cottage 28, a two-story structure, to encroach into the required 40 foot setback is supportable by staff because there will be a substantial landscape buffer between the buildings and the property line, the setback would be similar to that of other patios and buildings along

this property line, and a similar encroachment was approved for Cottage 27 when it was part of the 2004 Master Plan.

The distance between buildings requirement is a minimum of 15 feet or the height of the taller building. The application includes a request to allow less than the required distance between the new Mission Village cottages as well as Cottage 28. Staff is in support of the modification requests because the spatial relationships between the buildings have been evaluated in an Addendum to the Historic Structures/ Sites Report, have been determined to be acceptable by the Historic Landmarks Commission.

Parking: The Zoning Ordinance requirement for a resort hotel is one space per sleeping unit. The revised Master Plan consists of 92 units, and the applicants are requesting to maintain the existing entitlement for 97 rooms; therefore, 97 spaces are required.

During the review of the 2004 Master Plan, Transportation Planning Staff calculated the parking demand of 97 rooms, based on the ITE rate (311) for a convention hotel (0.81 spaces on weekdays, and 1.03 on weekends) to be 78 on weekdays and 100 on weekends, and determined that the Zoning Ordinance requirement of 97 spaces was sufficient. Upon review of the current proposal, which does not include any additional rooms, Staff is requesting that the Revised Master Plan include 3 additional parking spaces to meet the higher demand number of 100. The applicant agreed to provide these additional parking spaces.

Because all of the parking spaces located in the northwest corner parking lot and the northeast corner garage would be serviced by valets and inaccessible to the public, the parking is considered a parking storage area rather than a parking lot. This would enable the vehicles to be double or triple stacked. Transportation Planning staff has reviewed the parking plan and would be able to grant a waiver of the parking design standards.

VIII. ISSUES

A. DESIGN REVIEW

Each component of the Revised Master plan has been conceptually reviewed by the Historic Landmarks Commission (HLC) and has received enough positive comments to have the proposal move forward to the Planning Commission for consideration. Because the Revised Master Plan consists of many separate components, each component was reviewed separately by the HLC (see Exhibit C – HLC Minutes); however, the entire Revised Plan was evaluated in a Letter Addendum to the Historic Structures/Sites Report dated November 9, 2008. The Letter Addendum was accepted by the HLC on November 12, 2008.

On June 28, 2006, Cottage 27 was determined to be acceptable by HLC and on July 26, 2006, Cottage 28 received positive comments.

The swimming pool and fitness center was reviewed on many occasions. On March 21, 2007, the HLC accepted the proposed design of the swimming pool and fitness center.

On June 11, 2008, the HLC reviewed the Mission Village with valet parking garage below and stated that it accepted the size, bulk and scale of the project and stated that the architecture was generally

acceptable. Also, the Commission stated that parking podium needed to be modified in relation to the ground and architecture and that the scale of the proposed fountain be restudied.

On July 9, 2008, the HLC reviewed the utility distribution facility and surface valet parking lot with operations facility below and stated that it did not object to having surface parking in the northwest corner but commented that the parking lot should be lowered and should have a 60 foot long screening wall, with at least five feet in height at the lowest point, to block vehicle headlights. The Commission further commented that the wall should be plaster rather than sandstone and that breaks in the wall to allow for skylights (for the operations faculty below) was acceptable. Also, the Commission stated that both lighting and noise should be minimized as much as possible, and as many eucalyptus trees as possible should be preserved. The applicant has addressed the comments of the HLC by submitting revised plans that maximize the screening of the parking lot by lowering the surface parking lot elevation and providing a site wall ranging from approximately 5 to 7 feet and additional landscaping.

On December 10, 2008, the HLC reviewed the revisions to the entry on Alvarado Place and the service area adjacent to the Main Building. The Commission accepted the proposal stating that the widening of the driveway should be minimized as much as possible, that the new plantings be drought-tolerant, including those in the planter in the center of the driveway, and that the side of the trash enclosure facing the entry be sandstone.

The design of the proposed project, including both architectural and landscape design, will return to the HLC for preliminary and final approval, following an approval by the Planning Commission.

B. ENVIRONMENTAL REVIEW

An Initial Study was prepared for the proposed project because the California Environmental Quality Act (CEQA) requires that an environmental assessment be provided for a project that is proposing more than 10,000 square feet of new non-residential floor area. The environmental analysis determined that the proposed project could potentially have significant adverse impacts related to biological resources, cultural resources, noise, and public services; however, mitigation measures described in the Initial Study and agreed to by the applicant would reduce potential impacts to less than significant levels. In addition, recommended mitigation measures were identified to further reduce less than significant impacts associated with air quality, cultural resources and water resource issues.

A Draft Mitigated Negative Declaration was prepared for the proposed project, and a public review period was held from December 17, 2008 to January 15, 2009. Eight comment letters were received during the comment period. On January 8, 2009, the Planning Commission conducted a public hearing to accept testimony regarding the Draft Mitigated Negative Declaration. Ten individuals as well as the Planning Commission provided comments. The comment letters and the responses to the comments received regarding the Draft Mitigated Negative Declaration are attached to the Initial Study. The main issue areas discussed in the comments and response to comments are as follows:

1. Previous project approvals, cumulative impacts, and need for EIR: As noted in the background section, the Planning Commission approved a master plan for the project site in 2004. Environmental review was performed for this approval and the substantial conformance determinations. In each case the previous projects were determined to not result in any potentially significant environmental impacts and were deemed

categorically exempt from further CEQA review pursuant to Section 15301 Existing Facilities and 15303 New Construction.

Potential environmental impacts resulting from the proposed project are considered in relation to an environmental baseline. The baseline considered in the IS/MND includes the existing physical environment and that development allowed and currently being constructed under the approved 2004 permit and subsequent substantial conformance determinations consistent with guidance from CEQA case law. Where the proposed project would potentially add an incremental adverse impact in a specific resource category, potential cumulative impacts from past, present, and reasonably foreseeable future projects are considered in the analysis. No substantial evidence has been presented in the IS/MND or comments received that there is a potential for the project, as mitigated, to result in project specific or cumulative impacts exceeding the significance thresholds accepted by the City. Therefore, a mitigated negative declaration is the appropriate environmental document.

2. Noise: An acoustical analysis and follow-up addendum (Newsom Brown Acoustics, November 20, 2008 and January 27, 2009) has been prepared for the proposed project and accepted by City staff. These reports analyze, among other things, the future cumulative noise environment that will result from the operation of the proposed project. The utility distribution facility would generate noise levels of 26 dB(A) at the nearest property line of the hotel. Taken together with noise from the general operation of the hotel and traffic, average ambient noise levels at the hotel's property lines would be well below the City's standard of 60 dB(A) Ldn in residential neighborhoods.
3. Aesthetics: The proposed project would not block public views from Mission Ridge Road, Orpet Park, or any other public viewing location. The existing cottages located in the northeast corner are below the elevation of Mission Ridge Road and do not appear to block views across the hotel site from residences located uphill to the north. The new Mission Village cottages proposed for this northeast corner would be approximately the same height as the existing cottages and therefore, would not change any existing views. Additionally, other proposed buildings would be located further away from Mission Ridge Road and at a lower elevation due to the slope of the site and therefore, would not block any existing views across the site. The HLC has reviewed the proposed project and given the design positive comments.
4. Historic Resources: To address the Revised Master Plan, an Addendum to the 2002 Historic Structures/Sites Report was prepared that evaluates all components of the Revised Master Plan, including landscaping, in relation to the entire site and neighboring sites. The report identifies a group of five eucalyptus trees, located along Alvarado Place in the northwest corner as historically significant, not as individual trees but as a group that is part of the hotel setting. The report found that removal of the trees for reasons other than health and safety concerns would constitute a significant impact to historic resources. The applicant has accepted a mitigation measure that requires the preservation of the trees unless they are deemed to be a threat to public safety. HLC in their review of the project found that the project, as mitigated, would result in less than

significant impacts to historic resources. The Fire Department has also reviewed the project plans and made recommendations concerning the maintenance of the eucalyptus trees that will ensure adequate fire protection for the area.

The Final Mitigated Negative Declaration has identified no significant and unavoidable impacts related to the proposed project. Pursuant to CEQA, prior to approving the project, the Planning Commission must adopt the Mitigated Negative Declaration. For each mitigation measure adopted as part of a Mitigated Negative Declaration, the decision makers are required to make the mitigation measures into conditions of project approval, and adopt a program for monitoring and reporting on the mitigation measures to ensure their compliance during project implementation (PRC Sec.21081.6). The mitigation measures described in the proposed Final Mitigated Negative Declaration have been incorporated into the recommended conditions of approval for this project. In addition, a mitigation monitoring and reporting program (MMRP) is included as an exhibit to the Initial Study.

C. DEVELOPMENT PLAN IN R-H ZONE

The legislative intent of the R-H (Resort-Residential Hotel) Zone is to provide for the highly specialized uses that are associated with the development and operation of resort-residential hotels, and to ensure the least possible conflict with or disturbance of the amenities attached to and associated with adjoining residential areas. A Development Plan is required for any proposal for construction or relocation of any new buildings, structures, parking lot(s) or facilities, on any property zoned R-H. Approval of the Development Plan would be based on the finding that the proposal satisfies the intent of the R-H zone.

Staff has determined that the proposal satisfies the intent of the R-H zone because it consists of components that are necessary for the operation of the existing resort hotel, and the environmental document concluded that all impacts would be less than significant. The lack of significant environmental impact and the addition of substantial landscaping and noise mitigation measures will ensure the least possible conflict with adjoining residential areas.

D. DEVELOPMENT PLAN (SQUARE FOOTAGE ALLOCATION)

Currently, 7,021 square feet of non-residential floor area is available for the project site under the City's Measure E non-residential growth management program. The proposed Revised Master Plan would require a total of 17,021 square feet of non-residential floor area allocation. Since this amount exceeds the remaining available square footage, the project includes a request to transfer the additional 10,000 square feet of floor area from another site within the City through the transfer of existing development rights process allowed by the Zoning Ordinance.

A property located at 210 -222 East Yanonali Street (also known as 214 E. Yanonali Street) contained three commercial and industrial buildings consisting of 38,067 square feet of non-residential floor area. As part of an approved mixed-use development project, the commercial and industrial buildings were demolished and 40 residential condominium units and 1,800 square feet of non-residential floor area was constructed. Since the remaining 36,267 square feet was not rebuilt onsite, the non-residential square footage became available for purchase.

The square footage was purchased by one entity which in turn has offered to transfer 10,000 square feet of floor area to the El Encanto for the Revised Master Plan development. Staff has verified the available square footage from the Yanonali Street site. If the proposed project is approved, the applicant will be required to provide documentation as required by the Zoning Ordinance (SBMC Chapter 28.95, Transfer of Existing Development Rights).

IX. FINDINGS

The Planning Commission finds the following:

A. FINAL MITIGATED NEGATIVE DECLARATION ADOPTION

1. The Planning Commission has considered the proposed Final Mitigated Negative Declaration together with comments received during the public review period process.
2. The Planning Commission finds on the basis of the whole record before it (including the initial study and comments received) that there is no substantial evidence that the project will have a significant effect on the environment.
3. The Planning Commission finds that the Final Mitigated Negative Declaration reflects the Planning Commission's independent judgment and analysis.
4. The Planning Commission finds that the Final Mitigated Negative Declaration has been prepared in compliance with CEQA, and constitutes adequate environmental evaluation for the proposed project.
5. A mitigation monitoring and reporting program for measures required in the project or made a condition of approval to mitigate or avoid significant environmental effects has been prepared.
6. The location and custodian of the documents or other materials which constitute the record of proceedings upon which this decision is based is the City of Santa Barbara Community Development Department, 630 Garden Street, Santa Barbara, California.

B. MODIFICATIONS (SBMC§28.27.050)

The modification requests to allow the utility distribution facility to encroach into the required front setbacks along both Alvarado Place and Mission Ridge Road; the surface valet parking lot to encroach into the front setback along Alvarado Place; Mission Village Cottages 32 and 33 to encroach into the front setback along Mission Ridge road; Mission Village Cottages 33 and 34 and Cottages 27 and 28 to encroach into the eastern interior setback and the modification requests to provide less than the required distance between buildings are consistent with the purposes and intent of the Zoning Ordinance

and are necessary to secure an appropriate improvement on a lot, because the amount of encroachment is less than or equal to the encroachment of the amenities that previously existed in these locations, and there is substantial landscape and visual buffers between these amenities and their respective lot lines, as described in Section VII of this Staff Report.

C. DEVELOPMENT PLAN APPROVAL (SBMC§28.87.300)

1. The proposed development complies with all provisions of the Zoning Ordinance. *With the approval of the requested Modifications, the proposed Revised Master Plan will be in compliance with the R-H Zone standards, as described in Section VII of the Staff Report.*
2. The proposed development is consistent with the principles of sound community planning. *The proposed project is consistent with the principles of sound community planning by maintaining the current use of the property as a resort hotel, which is an allowed use in the R-H Zone, and conforms to the General Plan description of the neighborhood, as described in Section VII of the Staff Report. Further, the project has been designed to minimize the impact on its residential neighbors.*
3. The proposed development will not have a significant adverse impact upon the neighborhood's aesthetics/character in that the size, bulk or scale of the development will be compatible with the neighborhood. *All exterior alterations onsite require review and approval by the Historic Landmarks Commission (HLC). The HLC has conceptually reviewed the project and has found it to be compatible with the existing buildings and the surrounding neighborhood.*
4. The proposed development will not have a significant unmitigated adverse impact upon City and South Coast affordable housing stock. *The project would not result in a significant impact to City and South Coast affordable housing stock as it will maintain the current use as a resort hotel, and will not increase the number of rooms or employees, as described in Section 8 of the Initial Study/Mitigated Negative Declaration.*
5. The proposed development will not have a significant unmitigated adverse impact on the City's water resources. *Adequate City services are currently available to the project site. Water resource impacts are not anticipated with the construction of the proposed development because there will be no increase in water demand as described in Section 9 of the Initial Study/Mitigated Negative Declaration.*
6. The proposed development will not have a significant unmitigated adverse impact on the City's traffic. *Traffic impacts are not anticipated with the*

construction of the proposed development because the hotel maintains the same number of rooms as the previously existing hotel, as described in Section 11 of the Initial Study/Mitigated Negative Declaration.

7. Resources will be available and traffic improvements will be in place at the time of project occupancy. *Adequate City services are currently available to the project site, and traffic improvements are not required.*

D. DEVELOPMENT PLAN IN R-H ZONE (SBMC§28.27.100)

1. The proposed development is consistent with the regulations in the R-H zone. *With the approval of the requested Modifications, the proposed Revised Master Plan will be in compliance with the R-H Zone standards, as described in Section VII of the Staff Report.*
2. The proposed development meets the intent of the R-H Zone District by ensuring the least possible conflict with or disturbance of the amenities attached to and associated with adjoining residential areas. *The project has reduced its potential impacts to a less than significant level, and including amenities to increase landscaping and reduce noise, as described in Section VIII.C. of the Staff Report.*

E. TRANSFER OF EXISTING DEVELOPMENT RIGHTS (SBMC§28.95.060)

1. The proposed development plans for both the sending and receiving sites are consistent with the goals and objectives of the General Plan of the City of Santa Barbara and the Municipal Code. *The mixed-use development on the sending site received approval by the City Council on April 17, 2001 and met all standards for review. With approval of the requested Modifications, the receiving site (El Encanto Hotel) will comply with all standards for review in Section 28.87.300.E., as stated in the findings C.1 through C.7 above.*
2. The proposed developments will not be detrimental to the site(s), neighborhood or surrounding areas. *The sending site project was approved by the City Council and the Architectural Board of Review, which found the project to be appropriate, and the El Encanto Hotel project has reduced its potential impacts to a less than significant level, and included amenities to increase landscaping and reduce noise.*
3. The floor area of proposed nonresidential development on the receiving site does not exceed the sum of the amount of Existing Development Rights transferred when added to the amount of Existing Development Rights on the receiving site, and does not exceed the maximum development allowed by the applicable zoning of the receiving site. *The proposed total new floor area of 17,021 s.f. does not exceed the sum of the transferred square footage (10,000*

square feet) plus the 7,021 s.f. of Small and Minor Additions of Measure E square footage allowed for the site plus the amount of existing development. The proposed development does not exceed the maximum development allowed by the R-H Zone.

4. Each of the proposed nonresidential developments on the respective sending site(s) and receiving site(s) will meet all standards for review as set forth in Section 28.87.300.E of the Municipal Code and all provisions of this Chapter, and will comply with any additional specific conditions for a transfer approval. *The sending site received approval by the City Council on April 17, 2001 and met all standards for review. With approval of the requested Modifications, the receiving site (El Encanto Hotel) will comply with all standards for review in Section 28.87.300.E., as stated in the findings C.1 through C.7 above.*
5. Development remaining, or to be built, on a sending site is appropriate in size, scale, use, and configuration for the neighborhood and is beneficial to the community. *The development on the sending site received approval by the City Council on April 17, 2001 and has been constructed. The development was approved by the Architectural Board of Review which found it to be compatible with the surrounding neighborhood.*

Exhibits:

- ~~A. Conditions of Approval~~
- B. Applicant's letter, dated January 30, 2009
- C. Historic Landmarks Commission Minutes
- ~~D. Final Initial Study/ Mitigated Negative Declaration (includes Public Comment Letters, Response to Comments)~~

S U Z A N N E  E L L E D G E
P L A N N I N G & P E R M I T T I N G S E R V I C E S , I N C .

PRINCIPAL PLANNERS
SUZANNE ELLEDGE • LAUREL F. PEREZ

30 January 2009

Planning Commission
City of Santa Barbara
630 Garden Street
Santa Barbara, CA 93101

**RE: Project Description Letter for El Encanto Hotel – Revised Master Plan
(MST2007-00140)**

Dear Commissioners:

On behalf of the applicant, El Encanto, Inc., we are pleased to provide the following detailed project description for the El Encanto Hotel Revised Master Plan, located at 1900 Lasuen Road in the City of Santa Barbara.

Background

On December 9, 2004, the Planning Commission approved a Development Plan and modification requests for the El Encanto Hotel Master Plan, prior to the current applicant's ownership of the property. The proposal involved the addition of five new cottages containing nine new keys (rooms) totaling 5,759 square feet, as well as a 2,251 square foot expansion of the Main building for a total allocation of 8,010 net square feet. The project also involved cottage relocations, alterations and other site improvements.

In November 2005, the new owner's representative and project team presented a Revised Master Plan to staff and the Planning Commission during a lunch meeting to receive early feedback regarding program changes relative to the pool, underground parking garages, and additional operations or back-of-house floor area. Over the course of several reviews, the project team has been continuing to define the details of the revised plan before the Historic Landmarks Commission and coordination with the project historian.

Substantial Conformance Determinations

Following the 2004 Planning Commission approval, several phases of construction commenced on the site. The first phase involved the renovation of Cottages 11, 14, 15, and 16. The extent of structural deterioration of the cottages was unknown until the initial construction activities were underway. Similarly, the approval for the Main Building involved a renovation/restoration; however, City staff and structural engineers determined that renovation/restoration to be

infeasible to achieve current code compliance. Other program changes were a result of applying satisfactory operational needs required by the current owner. As a result, we have requested Substantial Conformance Determinations (SCD) of the approved 2004 Master Plan; the majority of which have been presented to the Planning Commission and the remainder have been approved by staff and the Historic Landmarks Commission (HLC). See below for a summary of the project SCD's.

June 15, 2006 - Main building basement expansion

The Main building expansion consisted of 1,671 net square feet and did not alter the exterior of the building because the addition was on the north portion of the building, which is below grade. The request consisted of temporarily transferring the approved floor area from Cottages 27 and 28 (1,838 square feet) to the Main building basement.

At the time, the Main building increase was proposed to be 1,671 square feet which left a 167 square foot surplus. However, once construction documents were developed, the Main building increase from the 2004 entitlement was 953 square feet leaving an 883 square foot surplus from Cottages 27 & 28.

December 19, 2006 – Cottage 4 demolition and reconstruction

The primary reason to substantiate the demolition request for Cottage 4 was due to the evolution of the architectural style, reconfiguration, and structural compromises. Cottage 4 was originally a Vernacular board and batten cottage. The architectural style is referred to as “Spanish Eclectic” because it exhibits features such as the smooth stucco clad wall and red Mission tiled roof. Due to alterations and additions, it was not be feasible to restore Cottage 4, either structurally or architecturally, to true Spanish Colonial or Vernacular Craftsman architecture. The HLC reviewed and approved Cottage 4 and the Historic Structures letter addendum.

January 18, 2007 – Main building height increase

The reconstruction of the Main building resulted in a minor height increase of two feet at the third level portion of the building relative to the original building to provide adequate space to accommodate current code compliant, life safety, elevator and mechanical equipment. The new building incorporates mechanical equipment within the structure; the previous building was nonconforming to building code. The Main building and Historic letter addendum were reviewed and approved by the Historic Landmarks Commission.

April 20, 2007 - Cottage 12 demolition and reconstruction

The primary reason for the request to demolish and reconstruct Cottage 12 was due to the architectural style and the feasibility to restore it, either structurally or to true Spanish Colonial or Vernacular Craftsman architecture. The Historic Structures/Sites Report prepared by Alexandra Cole, Preservation Planning Associates, dated December 2002, describes Cottage 12 as an example of Spanish influenced resort architecture from the 1950's. Further, the report identifies Cottage 12 as constructed outside the period of significance, concluding that the structure is a non-contributing building to the district.

Cottage 12 will be reconstructed generally in the footprint of the existing structure, in a more compatible architectural style than the existing structure, and with a minor increase in square footage from 3,078 net to 3,250 net square feet. This increase is also attributable to meet code compliance, integrate life safety elements and meet accessible standards. Staff made a determination of substantial conformance and the new structure received preliminary approval by the HLC.

Project Description – Revised Master Plan

The Revised Master Plan encompasses four components described in detail below. The components include the Pool/Fitness Center (Group E), a re-approval of Cottages 27 and 28 (Group K), an Operations Facility (including storage area proposed under previously approved Cottage 29) and Utility Distribution Facility (Group L) adjacent to and below a surface parking lot to accommodate 43 valet parking spaces in the northwest portion of the property, demolition of buildings 22, 23, and 24 and construction of Mission Village (Group M), five new cottages (30-34) with a valet parking structure below. In addition, to the four project components described above, the project proposes to reconfigure the existing entry drive off of Alvarado Place to provide improved site circulation, to construct a trash enclosure area and screen fence in the service area adjacent to the Main building.

As stated above, the 2004 approved project resulted in a total of 97 guest rooms. The current application includes construction of 92 guest rooms. The owner would like to preserve the entitlement of 97 guest rooms in the event it is necessary to reconfigure the existing rooms to create five additional rooms within the existing building footprints.

Swimming Pool/Fitness Center

The Master Plan that was approved in 2004, by the previous owner, included a remodel of the existing pool with an expansion of the pool deck area. The previous pool was located immediately to the east of the Main building lower area. Subsequent to the approval, further study of the Main building uses and guest needs, it was determined that the existing pool should be relocated further away from the Main building in order to provide an open lawn area to the east. The pool was constructed in the 1960's and does not contribute to the historic character of the property. The proposed pool design will result in a project element more in keeping with the historic setting. Further, the revised pool design will take advantage of the natural topography sloping to the south, by proposing a guest fitness center and pool equipment area (2,775 net square feet) partially subterranean under the pool and pool deck. Similar in topography to the Mission Village podium parking, the fitness center will daylight at the south end of the structure. Additionally, the fitness center beneath the pool is more suitable for guest use versus the 2004 approved project from the previous owner that included the fitness center within the Main building.

Cottages 27 & 28

On June 15, 2006, the project team requested a substantial conformance determination in order to increase floor area on the basement level of the Main building. The floor area allocation (1,838 square feet) that was approved to construct Cottages 27 and 28 was effectively transferred to the Main building.

The current application includes a request for re-approval of Cottages 27 and 28, a total of three (3) guest rooms, which would not result in an increase of the total key count with the original approval granted by the Planning Commission on December 9, 2004. Cottages 27 and 28 are located on the east side of the property, immediately south of the proposed Mission Village area. Prior to the request to transfer floor area from these cottages to the main building basement, the Cottages were reviewed by HLC. The HLC requested minor changes to the building placement, resulting in a canted building orientation relative to the north/south axis. Due to the reorientation, a small portion of Cottage 28 will encroach into the interior yard setback. The 2004 approval included a modification for the patio of Cottage 27 to encroach into the side yard setback consistent with the current design. Additionally, the floor area increased slightly in order to provide adequate circulation to meet ADA code. The total net floor area of the cottages combined is 1,934 square feet. The mass, bulk, and scale and design of the cottages have received positive comments from the Historic Landmarks Commission.

Operations and Utility Distribution Facility (UDF) & Valet Parking

The surface parking lot located in the northwest corner of the property was approved by the Planning Commission to be graded, resurfaced and reconfigured to provide 52 valet parking spaces. Subsequent to the approval in 2004, a revised project was developed to provide the Operations Facility (commonly known as the back of house) completely subterranean below the 43 space valet parking lot and Utility Distribution Facility (UDF) in a predominately subterranean structure adjacent and to the north of the valet parking lot.

The program changes are critical to the successful operation of the hotel by creating a more pleasant experience for guests by relocating hotel operations to a portion of the property more suited for these types of activities versus the carrying out these activities in the Main building or off site. The Operations Facility will provide on-site laundry services, staff lockers, storage, and staff offices in below grade structure composed of 8,773 square feet.

The UDF is proposed to be approximately 2,796 square feet constructed predominately underground, designed to result in a minimal above-grade change to the property. The below grade components of the UDF include equipment encapsulated within a concrete structure with silencers and acoustic lining and would range approximately 17 - 22 feet below the existing grade. The components of the UDF that are proposed to be above grade would be screened by a trellis and a structure approximately 15 feet in height, architecturally compatible to the site, screening the air ventilation shaft and the electrical switch gear. The UDF is a vital and integral

component of the overall operation of the hotel. It includes a single pipe condensed water loop system (versus a traditional four pipe system) which allows for a common utility trench. Additional components include an electrical room, condensed water cooling equipment and air ventilation. The HVAC function of the UDF will operate under an Energy Management System (EMS). The Energy Management System (EMS) controls are based on high/low ambient outside temperature points. For example, if the outside temperature is approximately less than 75-80 degrees, the condensed water cooling equipment would not operate. If a guest should turn on the A/C, the fan will generate cool air and not refrigerated air drawn from the cool water in the underground supply lines. Once the outside ambient temperature exceeds the high limit set points, the cooling towers will operate only to the point to bring the water to the cool set point. Additionally, the project includes installation of sensors in exterior doors and some windows of the cottages, so that if the doors or windows are left opened, the EMS controls will not allow HVAC equipment to operate other than a fan blowing cool air. The heating system will operate similarly when temperatures drop below an ambient low set point.

The proposed valet parking lot is consistent with the previous orientation reviewed and approved by the Planning Commission in 2004 with the exception of the reduction of overall surface area by shifting the lot south and proposed number of parking spaces. The previous design received a modification approval to encroach into the front yard setback along the Mission Ridge and Alvarado Place property frontages. The proposed parking lot does not encroach into the northerly property frontage and is screened by the proposed above ground elements of the UDF structure which provides a visual and noise buffer. Due to the loss of nine (9) parking spaces from the 2004 approved project, the balance of the parking spaces are proposed in the Mission Village parking structure. The valet parking lot will be screened with generous perimeter landscaping in keeping with the garden setting of the property, while providing appropriate line of sight visibility at the hotel entrance, exit, and at the corner of Alvarado Place and Mission Ridge Road.

Consistent with the comments received by the Historic Landmarks Commission on July 9, 2008, the elevation of the parking surface has been depressed and the perimeter wall height has increased to allow for maximum screening and noise buffering of the parking lot. Additionally, five tree wells have been incorporated into the design to further screen and shade the parking surface.

Mission Village

The final component of the Revised Master Plan includes demolition of the buildings 22, 23, and 24, located in the northeast portion of the site, and construction of five new structures – Mission Village. Buildings 22, 23, and 24 are composed of three two-story detached structures totaling 10,614 net square feet and containing 20 keys. These structures were previously approved to receive façade renovation in 2004. The Historic Structures/Site Report prepared by Preservation Planning Associates dated December 2002 identifies these structures as non-contributing

structures to the historic significance of the site as they were constructed outside the period of significance.

The Mission Village Cottages (30-34) are composed of 26 keys, in a combination of one and two-story structures in a Spanish Colonial Revival architectural style. The Mission Village cottages are proposed over a partially underground valet parking garage. The parking garage includes a total of 51 valet parking spaces.

During the course of concept review hearings before the Historic Landmarks Commission, the Mission Village configuration underwent significant changes, most notably elimination of one of the proposed cottages and floor area reductions in order to satisfy mass, bulk, and scale and density considerations. Ultimately, the HLC unanimously stated positive comments at the hearing held on June 11, 2008 and was appreciative of the manner in which the design team responded to direction received.

Grading

Preliminary earthwork estimates indicate approximately 14,650 cubic yards of cut and 1,327 cubic yards of fill. The construction team will endeavor to identify a local construction site that requires fill soil to accept the project export soil.

Development Plan and Transfer of Existing Development Rights (TEDR)

The subject property has a balance of 7,021 square feet for future development. The Main building was originally approved to be 22,640 square feet. Transferring floor area from Cottages 27 and 28 resulted in an approved building of 23,618 square feet through approval of the Substantial Conformance Determination. Subsequent to additional construction document development, the Main building total floor area requirement was 23,618 square feet, resulting in a surplus of 883 square feet. Therefore, the remaining future development potential totals 7,021 square feet.

Development of the Pool/Fitness Center, Operations and Utility Distribution Facility and re-approval of Cottages 27 and 28 exceed the subject parcel's remaining development potential. Therefore, the project proposes to transfer 10,000 square feet of existing development rights to the site.

Environmental Issues

Historic Structures Report

A letter addendum to the historic Structures/Site Report for El Encanto Hotel, dated December 2002 and prepared by Alexandra C. Cole of Preservation Planning Associates was prepared to address the elements of the Revised Master Plan. The 2002 report that the site was eligible as a City Landmark District; however, within the proposed district, buildings 22, 23, & 24, the tennis

court, and the parking lot in the northeast corner were considered non-contributing to the proposed Landmark District.

The specific project effects described in the letter addendum are summarized below. The proposed pool/fitness center location east of the Main building is in an area of non-significance and the design incorporates elements, such as the brick paving, walls and entry that make reference to the Landmark eligible arbor north of the pool. Thus, there are no significant historic impacts as a result of the pool/fitness center component.

Cottages 27 & 28 were previously evaluated in the 2004 project approval. The new cottages must be determined to be compatible with historic cottages 17 & 18. The letter explains that both Cottages 27 & 28 are compatible with the historic size, scale and proportion of Cottages 17 & 18 providing a stylistic link along the eastern edge of the property between the Spanish Colonial Revival style Mission Village cottages to the north with the 1929 Spanish Colonial Revival Cottage 11 to the south.

The proposed valet parking lot in the northwest portion of the site replaces an existing parking lot that was determined to be non-contributing to the site historic setting. The new configuration will be screened by existing and proposed vegetation and a screen wall with a minimum height of five feet. The letter concludes that the parking lot will not affect significant spatial relationships and can be found to be compatible with the site.

The demolition of buildings 22, 23, & 24 is considered a less than significant impact in that these structures are non-contributing to the historic site. Analysis of impacts to historic resources for Mission Village was focused on the spatial relationship to the relocated cottages 17 and 19. Cottage 30 is the closest to Cottage 17; Cottage 30 is proposed to be one-story for purposes of compatibility of massing and scale to the historic cottages. The orientation of the entrances to 17 and 19 are to the south and the east, away from Cottage 30 providing a functional separation.

Acoustic Analysis

A Sound Impact Analysis Report, prepared by Newson Brown Acoustics, dated November 20, 2008 has been prepared to evaluate potential noise impacts related to the underground Utility Distribution Facility, the surface valet parking lot, and the partially subterranean Mission Village parking structure. The analysis concludes that these project components would generate sound levels well within the “clearly acceptable” exterior noise level of 55 dB(A) Ldn and the normally acceptable exterior noise level of 60 dB(A) Ldn for residential land use as established in the City of Santa Barbara General Plan Noise Element.

Traffic and Parking

Traffic and parking was analyzed as part of the 2004 Master Plan approval which involved nine (9) new guest rooms (an increase from 88 to a total of 97). The analysis concluded that the

increase in traffic resulting from the additional rooms would be minimal. The current application does not propose additional guest rooms.

The previous project was approved to provide 97 parking spaces consistent with the Zoning Ordinance provision to provide one space for each guest bedroom. The current application includes 92 guest rooms; however, the owner would like to preserve the entitlement of 97 guest rooms given that it may be necessary to reconfigure the existing rooms to create five additional rooms in the future. Upon further evaluation by staff through the development review process for the Revised Master Plan, it was determined that 100 parking spaces are needed in order to meet parking demand. Therefore, the current application provides 100 spaces to support the entitled 97 guest rooms in the following layout: 6 surface spaces in the motor court area, 43 valet spaces in the northwest parking lot, and 51 valet spaces in the Mission Village parking structure. As part of the service area reconfiguration near the Main building, four (4) previously approved parking spaces are proposed to be relocated into the Mission Village parking structure.

Discretionary Approvals for Consideration

The project requests the following discretionary actions for consideration:

1. Modifications to provide less than the required linear distance between structures per SBMC §28.27.050.2.
2. Modification to allow Cottages 33, 34, 27 & 28 to encroach into the interior yard setback per SBMC §28.27.050.
3. Modification of the front yard setback along Mission Ridge Road to allow the Utility Distribution Facility and Cottages 32 & 33 to encroach into the front yard setback per SBMC §28.27.050.
4. Modification of the front yard setback along Alvarado Place to allow the valet parking lot to encroach into the front yard setback per SBMC §28.27.050.
5. Transfer of Existing Development Rights of non-residential floor area to the project site per SBMC §28.95.
6. Development Plan Approval to allocate non-residential square footage from the Minor Addition and Small Addition categories per SBMC §28.87.300.
7. Development Plan as defined within R-H Zone standards per SBMC §28.27.100.

Project Findings and Justifications

Linear Distance Between Structures

The building separation modification requests allow the appropriate buffer from adjacent properties. Many of the existing cottages on the property do not conform to the building separation development standard. Review by the project historian and the Historic Landmarks Commission focuses on an appropriate density and separation. The proposed configuration is an improvement as compared to the existing as buildings 22, 23, and 24 currently encroach into the setbacks on the north and east property boundaries.

Yard Modifications

The subject site is located in the R-2/4.0/R-H, Resort-Residential Hotel zone district which requires a 30-foot setback for single-story structures and a 40-foot setback for two-story structures in both the front and interior yards. Currently, the property is non-conforming to the yard setback standards.

The project proposes to demolish buildings 22, 23, 24 which are currently located in the northeast corner of the property. The proposed Mission Village cottages would result in less encroachment than the existing condition and would not intensify the existing condition in terms of the number of guest rooms in this portion of the property. The proposed structures, similar to the existing, would be lower in elevation as compared to the street level elevation; therefore, the site topography provides a natural buffer. The encroachments allow for the appropriate building placement consistent with the historic site density, as recognized by the Historic Landmarks Commission during the concept review hearings.

Prior to construction of the approved 2004 Master Plan, the northwest corner of the property was developed with Cottage 19, a single-story Craftsman structure located almost entirely in the 30-foot front yard setback of Mission Ridge Road (see Sheet SD1.0). Additionally, the laundry building, approximately a 1,200 square foot structure, was located to the east of Cottage 19, also within the 30-foot front yard setback along Mission Ridge Road. This structure was destroyed in a fire in 1998. A surface parking lot was located south of Cottage 19 and in the front yard setback along Alvarado Place. The proposed Revised Master Plan is consistent with the historic land uses of this portion of the property; however, the proposed components, the Utility Distribution Facility and the valet parking lot, would result in an improved configuration as compared to the previous, by providing a greater structural setback from Mission Ridge, lowering the surface elevation of the parking lot, and with incorporation of a perimeter screen wall. As stated previously, the parking lot configuration approved in the 2004 project required modifications of the front yards on Mission Ridge Road and Alvarado Place. For these reasons, the requested zoning modifications are reasonable and appropriate.

The interior yard modification requests for Cottages 27 & 28 are necessary to allow an improved spatial relationship for these new cottages to achieve compatibility within the site. The modification requests are consistent with the purposes and intent of the Zoning Ordinance and are necessary to secure an appropriate improvement on a lot. The surface parking lot and Cottage 27 received the yard modification approvals in the project presented to the Planning Commission in December 2004.

Development Plan and Transfer of Existing Development Rights

The proposed development complies with all provisions of the Zoning Ordinance upon approval of the requested modifications. The development will result in a project that enhances the neighborhood aesthetics and character; the proposed project design is sensitive to the historic character of the site and results in eliminating structures that are non-contributing to the historic setting. The Revised Master Plan is consistent with the previous project approval relative to density, overall hotel room quantities (97), and parking. The project further improves the previous approval by separating hotel operations from guest uses.

On behalf of the applicant and project team, we thank you for your consideration of this request.

Sincerely,
SUZANNE ELLEDGE
PLANNING & PERMITTING SERVICES



Trish Allen, AICP
Senior Planner

HISTORIC LANDMARKS COMMISSION MINUTES
FOR NORTHWEST CORNER

July 12, 2006

CONCEPT REVIEW - CONTINUED

8. 1900 LASUEN RD

(3:19)

Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Applicant: Project Solutions LLC
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements, and expansion of the main hotel structure. This portion of the work is Phase II and includes buildings the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and Units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued review of Main Building.)

(PROJECT REQUIRES HISTORIC RESOURCE FINDINGS AND COMPLIANCE WITH PLANNING COMMISSION RESOLUTION NO. 057-04.)

Present: Henry Lenny, Architect
Alexandra Cole, Architectural Historian
Minh Pham, Representing Ownership

Straw vote: How many Commissioners would like to see emphasis of the sensitive entry? 7/0/0.

Motion: Continued two weeks with the following comments: 1) Show the trim around the windows. 2) Better integrate the staircase on the west elevation into the building. 3) Study reducing the height and/or the elimination of the 12 foot retaining wall on the proposed south elevation. 4) Study emphasis of the sensitive entry.

Action: La Voie/Rager, 7/0/0.

August 23, 2006

CONCEPT REVIEW - CONTINUED

11. 1900 LASUEN RD

(3:38)

Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Applicant: Project Solutions, LLC
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued review of proposed valet parking structure and tennis court of Group L.)

(COMMENTS ONLY; THIS PORTION OF THE PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT AND PLANNING COMMISSION APPROVAL.)

Present: Henry Lenny, Architect
Katie O'Reilly-Rogers, Landscape Architect
Minh Pham, Ownership Representative
Alexandra Cole, Historian

Straw vote: Is the Commission satisfied with the tennis court location and the demonstrated landscape screening? 2/2/1, (Naylor and Boucher opposed, La Voie abstained; Rager had a qualified vote pending further development of the design particularly the entry; Hsu, Suding, and Murray absent).

Motion: Continued two weeks with the following comments: 1) The Commission is concerned about the southwest corner and the entrance to the garage which needs to be unobtrusive and wonderful, and requested the applicant present a three-dimensional model for review. 2) The undergrounding of a human support staff continues to be a concern. 3) The landscape screening appears adequate but continues to be a concern, especially at the southwest corner of the site where there is a minimal amount of space to accomplish such adequate screening. 4) The Commission seems reassured that the whole north side will be perfectly hidden because it is underground and will no longer be a concern.

Action: Hausz/Pujo, 6/0/0, (Hsu, Suding, and Murray absent).

March 21, 2007

CONCEPT REVIEW - CONTINUED

16. 1900 LASUEN RD

(6:09) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued review of proposed valet parking structure and tennis court of Group L.)

(COMMENTS ONLY; THIS PORTION OF THE PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT AND PLANNING COMMISSION APPROVAL.)

Present: Henry Lenny, Architect
James Jones and Minh Pham, Representing Ownership

Motion: **Continued indefinitely to the Planning Commission with positive remarks and the following comments:** 1) The Commission supports the project concept. 2) Substantial landscaping is important for screening the opening in the driveway. 3) The driveway opening should be as narrow as possible. 4) If there is both vehicular and pedestrian access, they should be separated. 5) There should not be any lighting for the tennis court. 6) Day-lighting is desirable for the habitable spaces below the tennis court. 7) The Commission looks forward to the conformance letter regarding historical resources.

Action: Hausz/Adams, 5/2/0. (Murray/Naylor opposed. Pujo absent.)
Motion carried.

May 14, 2008

CONCEPT REVIEW – CONTINUED

7. 1900 LASUEN RD

(2:45)

Assessor's Parcel Number: 019-170-022
Application Number: MST2007-00140
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Agent: Suzanne Elledge Planning & Permitting Services
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. This is a revised Project Description: Proposal for a revised Master Plan for El Encanto Hotel. The project involves the construction of valet parking and operations facility below (Group L); a swimming pool with fitness center below (Group E); reapproval of Cottages 27 and 28 (Group N); and, construction of six new cottages (Mission Village) with partial underground parking on the northeast portion of the property (Group M). Phase 1 of the project (MST99-00305) is complete; portions of Phase 2 of the project (previously reviewed under MST2005-00490) including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well.)

(Sixth Concept Review. Review of Group L.)

(Requires Environmental Assessment and Planning Commission approval.)

Present: Trish Allen, SEPPS
Henry Lenny, Architect
Minh Pham, Representing Ownership
Kathleen Kennedy, City Associate Planner

Public comment opened at 3:06 p.m.

Kellam de Forest, local resident, commented that it now seems that the parking will no longer be hidden and commented that the parking lot needs be surrounded by walls so that it is out of public view.

Public comment closed at 3:08 p.m.

Motion: Continued indefinitely with the comment that the proposed construction of a valet parking above grade (as part of Group L) is not acceptable.

Action: Sharpe/Naylor, 8/0/0. (Curtis absent.) Motion carried.

Commission comments: Chair La Voie commented that this project should have been publicly noticed with the new project description and revised Master Plan. He requested that an accurate description of the particular portion of the project being presented to the Commission be specified on future agendas.

July 9, 2008

CONCEPT REVIEW - CONTINUED

14. 1900 LASUEN RD

(6:37)

Assessor's Parcel Number: 019-170-022
Application Number: MST2007-00140
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Agent: Suzanne Elledge Planning and Permitting Services
Architect: Henry Lenny
Business Name: El Encanto Hotel

(Multiple buildings are designated as Structures of Merit. Proposal for a revised Master Plan for El Encanto Hotel. The project involves a proposal for the elimination of tennis courts, the construction of valet parking above and operations facility below [Group L]; a swimming pool with fitness center below [Group E]; reapproval of Cottages 27 and 28 [Group N]; and, construction of six new cottages [Mission Village] with partial underground parking on the northeast portion of the property [Group M]. Phase 1 of the project [MST99-00305] is complete; portions of Phase 2 of the project [previously reviewed under MST2005-00490] including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well.)

(Ninth Concept Review focused on Group L, Operations Facility/Valet Parking.)

Present: Katie O'Reilly-Rogers
Alexandra Cole, Historical Consultant
Henry Lenny, Architect
James Jones, Representing Ownership
Trish Allen, SEPPS

Public comment opened at 7:02 p.m.

1. Jan von Yurt, neighbor, commented that he and some neighbors were in support of the underground parking, but is disappointed that the proposal has changed. He expressed concern with the setback modifications being requested by the applicant, the impact of construction on the neighborhood, and the traffic impacts that would result from the proposed valet parking.
2. Kellam de Forest, local resident, commented that having a wall around the parking lot with hedges would solve problems addressed and that a higher wall may block much of the noise. He commended the owners of the property for retaining the historical aspects of the site. Mr. de Forest requested that historic sandstone be used to replace the modern stone brick pillars.

Public comment closed at 7:16 p.m.

Motion: **Continued indefinitely to the Planning Commission with the following comments:** **1)** Lower the parking at the beginning of the ramp by several feet, continue with a reasonable slope for drainage, and end it with at least a five foot high wall at the lowest end to reduce headlights shining onto Alvarado Street from the parking lot. **2)** The Commission would not object to having open parking at this site. **3)** A 60 foot long screen wall would be adequate to mitigate the impact of automobiles. **4)** The break in the walls with skylights is acceptable. **5)** An increase in lighting should not be included. **6)** The noise produced by the valet parking should be reduced as much as possible. **7)** A plaster wall in lieu of sandstone would be more appropriate and would save money, which could then be redirected to lowering the parking. **8)** Keep intact as many pruned eucalyptus trees as possible on the north side of the property. Plant canopy trees around the perimeter of the property, in particular on Alvarado Place.

Action: Boucher/Adams, 8/0/0. (Naylor absent.) Motion carried.

HISTORIC LANDMARKS COMMISSION MINUTES
FOR MISSION VILLAGE

April 4, 2007

CONCEPT REVIEW - NEW

13. 1900 LASUEN RD

(6:50) Assessor's Parcel Number: 019-170-022
Application Number: MST2007-00140
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Agent: Suzanne Elledge Planning & Permitting Services
Architect: Henry Lenny
Business Name: El Encanto Hotel

(Phase 1 of the project (MST99-00305) is complete; portions of Phase 2 of the project (previously reviewed under MST2005-00490) including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well.)

(PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: Henry Lenny, Architect
Trish Allen, SEPPS
James Jones and Minh Pham, Representing Ownership

Ms. Gantz acknowledged receipt of a letter from a group of Mission Ridge neighbors whose properties directly face El Encanto Hotel at Mission Ridge Road. (Copies of the letter were distributed to the Commission members.)

Motion: Continued two weeks with the following comments: 1) The Commission supports the project and looks forward to seeing its development, particularly the elevation of the drive entrance into the parking garage. 2) The Commission is concerned about the underground parking as a concept in that it provide sufficient soil for real plant material. 3) There is concern about the drive opening into the parking garage. 4) There is concern about views across the site. 5) There is concern about the disposition of the buildings and how they affect the neighborhood and view. 6) The Commission would prefer the full 30 foot setback from both property lines. 7) The applicant should look for a solution that would minimize the retaining wall. 8) The applicant should look for an architectural design that is compatible with the other Hispanic buildings on the site.

Action: Hausz/Boucher, 5/0/0. (Murray/Naylor/Sharpe absent.) Motion carried.

April 18, 2007

CONCEPT REVIEW - CONTINUED

10. 1900 LASUEN RD

(5:14) Assessor's Parcel Number: 019-170-022
Application Number: MST2007-00140
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Agent: Suzanne Elledge Planning & Permitting Services
Architect: Henry Lenny
Business Name: El Encanto Hotel

(Phase 1 of the project (MST99-00305) is complete; portions of Phase 2 of the project (previously reviewed under MST2005-00490) including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well.))

(Second Concept Review of the "Mission Village.")

(PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: Henry Lenny, Architect
Minh Pham, Representing Ownership
Trish Allen, SEPPS
Alexandra Cole, Historian

Motion: **Continued two weeks with the following comments:** 1) The Commission appreciates the underground parking and the way the entrance is configured. 2) Use more sandstone and a simple pair of arches rather than an elaborate column. 3) A simple variety of landscaping should drape over the wall. 4) Advised applicant to study placing Buildings 34 and 35 somewhat closer to Mission Ridge to be consistent with the average setbacks of the residences farther to the east in order to add to the open space between the buildings.

Action: Hausz/Sharpe, 7/0/0. (La Voie absent.) Motion carried.

May 2, 2007

CONCEPT REVIEW - CONTINUED

6. 1900 LASUEN RD

(4:48) Assessor's Parcel Number: 019-170-022
Application Number: MST2007-00140
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Agent: Suzanne Elledge Planning & Permitting Services
Architect: Henry Lenny
Business Name: El Encanto Hotel

(Phase 1 of the project (MST99-00305) is complete; portions of Phase 2 of the project (previously reviewed under MST2005-00490) including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well.))

(Third Concept Review.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: Henry Lenny, Architect
Minh Pham, Representing Ownership

Motion: Continued four weeks.

Action: Adams/Sharpe, 7/0/0. (Hausz absent.) Motion carried.

Commission comments:

1. Emphasized the importance of the landscape in the character of the campus.
2. There is concern with regard to: **a)** The concentration of two-story buildings in this part of the campus. **b)** The possibility of insufficient space between two-story buildings. **c)** The size of the building.

May 30, 2007

CONCEPT REVIEW - CONTINUED

11. 1900 LASUEN RD

(6:19) Assessor's Parcel Number: 019-170-022
Application Number: MST2007-00140
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Agent: Suzanne Elledge Planning & Permitting Services
Architect: Henry Lenny
Business Name: El Encanto Hotel

(Phase 1 of the project (MST99-00305) is complete; portions of Phase 2 of the project (previously reviewed under MST2005-00490) including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well..)

(Fourth Concept Review.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: Henry Lenny, Architect
Minh Pham, Representing Ownership
Trish Allen, SEPPS

Straw vote: How many Commissioners could support the size, bulk and scale? 7/0.

Motion: Continued indefinitely to the Planning Commission with the following positive comments: 1) Study the exiting and access. 2) The size, bulk, and scale are supportable. 3) The Commission finds that the proposed site layout and the architecture proposed are superior to the existing buildings and, therefore, supports the replacement as proposed.

Action: Pujo/Hausz, 8/0/0. Motion carried.

May 28, 2008

CONCEPT REVIEW – CONTINUED

2. 1900 LASUEN RD

(3:13)

Assessor's Parcel Number: 019-170-022

Application Number: MST2007-00140

Owner: Orient Express Hotels

Applicant: El Encanto, Inc.

Agent: Suzanne Elledge Planning & Permitting Services

Architect: Henry Lenny

Business Name: El Encanto Hotel

(This is a Structure of Merit. This is a revised Project Description: Proposal for a revised Master Plan for El Encanto Hotel. The project involves the construction of valet parking and operations facility below (Group L); a swimming pool with fitness center below (Group E); reapproval of Cottages 27 and 28 (Group N); and construction of six new cottages (Mission Village) with partial underground parking on the northeast portion of the property (Group M). Phase 1 of the project (MST99-00305) is complete; portions of Phase 2 of the project (previously reviewed under MST2005-00490) including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well.)

(Seventh Concept Review focused on Group M, Mission Village. The project design has been revised and now includes a partially subterranean parking structure. Comments only; project requires Environmental Assessment, Planning Commission approval, and Historic Resource Findings.

Present: Henry Lenny, Architect
James Jones and Minh Pham, Representing Ownership
Kathleen Kennedy, City Associate Planner

Public hearing opened at 3:27 p.m.

Kellam de Forest, local resident, commented that, although the architecture is acceptable, the issue is the number of parking spaces that will be made available, and their use.

Public hearing closed at 3:29 p.m.

Motion: Continued two weeks with the following comments: 1) The model provided was appreciated. 2) The style of the buildings is acceptable. 3) The size, bulk, and scale of the proposed Mission Village are not supportable. 4) Before the Mission Village project returns for review, the neighbors and concerned parties should be notified. 5) There was concern about the expression of the plinth at the parking structure. Provide a transition between the existing buildings and Mission Village buildings. 6) The elevations as a composite of the adjacent buildings should be shown on the plans. 7) The proposal is not in keeping with the rest of the site. A unifying theme should be established, possibly with a plaza in the middle of the buildings, where the currently proposed Cottage 33 is. 8) The inclusion of landscaping is very important as it would soften the buildings. 9) A real penetration for trees should be provided through the parking structure. 10) The berming should be as natural as possible.

Action: Adams/Boucher, 8/0/0. (Curtis absent.) Motion carried.

June 11, 2008
FINAL REVIEW

8. 1900 LASUEN RD

(5:42) Assessor's Parcel Number: 019-170-022
Application Number: MST2008-00211
Owner: Orient Express Hotels

(Proposal to demolish cottages 22, 23, & 24 of Group M, Mission Village, including foundations, patios, decks, stairs, garden walls and retaining walls. No new development is proposed with this application.)

(Continued request for Final Approval. Action may be taken if sufficient information is provided.)

Present: Trish Allen, Suzanne Elledge Planning & Permitting Services
Minh Pham, Owner Representative
Katie O'Reilly-Rogers, Landscape Architect
Kathleen Kennedy, City Associate Planner

Public comment opened at 5:51 p.m. and, as no one wished to speak, it was closed.

Motion: Final Approval for demolition with the condition that at least six future canopy trees of minimum 36-inch box size be included in the final proposed plans for the area.

Action: Pujo/Sharpe, 5/0/1. (Curtis abstained. Hausz/Murray/Naylor absent.)
Motion carried.

June 11, 2008

CONCEPT REVIEW – CONTINUED: PUBLIC HEARING

9. 1900 LASUEN RD

(5:52) Assessor's Parcel Number: 019-170-022
Application Number: MST2007-00140
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Agent: Suzanne Elledge Planning & Permitting Services
Architect: Henry Lenny
Business Name: El Encanto Hotel

(Multiple buildings are designated as Structures of Merit. Proposal for a revised Master Plan for El Encanto Hotel. The project involves a proposal for the elimination of tennis courts, the construction of valet parking above and operations facility below (Group L); a swimming pool with fitness center below (Group E); reapproval of Cottages 27 and 28 (Group N); and, construction of six new cottages (Mission Village) with partial underground parking on the northeast portion of the property (Group M). Phase 1 of the project (MST99-00305) is complete; portions of Phase 2 of the project (previously reviewed under MST2005-00490) including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well. The project component Group M is the only component of the project to be reviewed at this hearing. Other components will be reviewed at future meetings.)

(Eighth Concept Review focused on Group M, Mission Village. Project requires Environmental Assessment, Planning Commission approval, and Historic Resource Findings.)

Present: Henry Lenny, Architect
James Jones, Owner Representative
Katie O'Reilly-Rogers, Landscape Architect
Kathleen Kennedy, City Associate Planner

Public comment opened at 6:09 p.m.

Kellam de Forest commented that the design was too fancy and should have more of a cottage farmhouse look, and the stairwell should have a Spanish revival look.

Public comment closed at 6:11 p.m.

Motion: Continued indefinitely with the following comments: 1) The Commission greatly appreciates the design staff's efforts and accepts the size, bulk, and scale of project; 2) The parking plinth shall be further modified to be more successfully wedded to the ground and architecture; 3) Applicant to restudy the scale of the too-tall fountain; 4) The curved form of the stairway, and the expression of the plinth in stone is supportable; and 5) The architecture remains generally acceptable with the Commission looking forward to the plan proceeding.

Action: Adams/Boucher, 6/0/0. (Hausz/Murray/Naylor absent.) Motion carried.

HISTORIC LANDMARKS COMMISSION MINUTES
FOR SWIMMING POOL AND FITNESS CENTER

October 26, 2005

CONCEPT REVIEW - CONTINUED

4. 1900 LASUEN RD

(2:39) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Applicant: Tynan Group, Inc.
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes buildings the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Fifth Concept Review including a revision of Unit 28, revised swimming pool design, and review of Units 2, 3, 4, 20, and 21.)

(PROJECT REQUIRES HISTORIC RESOURCE FINDINGS AND COMPLIANCE WITH PLANNING COMMISSION RESOLUTION NO. 057-04.)

Henry Lenny, Architect, Alexandra Cole, Architectural Historian; and James Jones, Representative for the Owners, present.

Staff comment: Jake Jacobus, Associate Planner/Urban Historian, stated Kathleen Kennedy, Assistant Planner for the project has requested a phasing plan that would enable Staff and the Applicant to better follow the project.

Motion: Continued two weeks with the following comments:

Building 28: Acceptable as presented.

Swimming Pool: 1) Restudy the orientation. 2) Simplify the design. 3) Consider not placing the spa below. 4) Revisit the previous design. 5) Keep the "romance" of the pool. 6) Return with topography and an open space study. 7) Eliminate the "false rock" outcropping. 8) Restudy the moat configuration.

Unit 2: The Commission will require a focused letter report before a determination can be made.

Unit 3: The applicant did not submit a new plan for Unit 3. No change from the last plan.

Unit 4: Acceptable as submitted.

Units 20 and 21: 1) Return with better drawings and/or photo documentation of the existing condition. 2) The Applicant is to restudy phasing of the project.

Action: Suding/Hausz, 8/0/0.

November 9, 2005

CONCEPT REVIEW - CONTINUED

4. 1900 LASUEN RD

(3:07) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Applicant: Tynan Group, Inc.
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes buildings the main building, relocation of the swimming pool, The west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Sixth Concept Review including pool studies, elevations for Unit 4, and Phasing Plan.)

(PROJECT REQUIRES HISTORIC RESOURCE FINDINGS AND COMPLIANCE WITH PLANNING COMMISSION RESOLUTION NO. 057-04.)

Henry Lenny, Architect; Alexandra Cole, Architectural Historian; and James Jones, Representative for the Owners, present.

Staff comment: Jake Jacobus, Associate Planner/Urban Historian, reminded the Commission that Staff is requesting additional phases be added to the proposal in order to better track the project as it proceeds.

Public comment opened at 3:19 p.m.

Kellem De Forest, local resident, asked if it is possible to turn the pool in order to have a vista down the path to the pool.

Public comment closed at 3:20 p.m.

Motion: Continued to the November 30th meeting with the following comments:
1) The Commission accepts the location of the pool on the site. 2) The Commission requests that the applicant redesign the stairs to the lower level in a more natural configuration. 3) Suggested adding a more natural edge to the moat. 4) Suggested studying the battered landscape to have a more natural transition from the pool to the lawn. 5) Incorporate a pool attendant enclosure. 6) The elevations for Unit 4 are acceptable as submitted. 7) The phasing plan will be submitted to Staff for comments before the next meeting.

Action: La Voie/Hausz, 6/1/0. Suding opposed.

November 30, 2005

CONCEPT REVIEW – CONTINUED

8. 1900 LASUEN RD

(4:07) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Applicant: Tynan Group, Inc.
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes buildings the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Seventh Concept Review including revisions to the swimming pool, review of Units 5, 6, 7, 8, 9, 10, 12, 13, 20 and 21, and restoration of the historic arbor.)

(PROJECT REQUIRES HISTORIC RESOURCE FINDINGS AND COMPLIANCE WITH PLANNING COMMISSION RESOLUTION NO. 057-04.)

Henry Lenny, Architect; Alexandra Cole, Architectural Historian; and James Jones, Representative for the Owner, present.

Public comment opened at 4:24 p.m.

Kellem De Forest suggested keeping the "Maxfield Parrish" pot design.

Public comment closed at 4:25 p.m.

Motion:

Continued two weeks with the following comments:

Pool: 1) The siting of the pool is acceptable. 2) Simplify the elevator top and address the attendant's area. 3) Rethink the access pot to match the pool pot. 4) The design is generally a good design.

Group I:

Buildings 5, 6, and 8: Acceptable as presented. There are no exterior alterations except for refurbishing the buildings.

Building 7: The Commission is concerned with the guard rail height as it meets the existing window sill and requested it be restudied.

Building 9: 1) Treat the side lights different than the door. 2) Incorporate additional trim to better integrate the building with the overhead header beam.

Building 10: Acceptable as submitted.

Overall comment: Remove the sidewalk that is shown on the drawings on Alvarado Place on El Encanto side.

Group G:

Building 20: Remove the exposed conduits and floodlights from west elevation of building.

Building 21: Acceptable as proposed.

Action:

Pujo/Rager, 9/0/0.

January 25, 2006

PRELIMINARY REVIEW

4. 1900 LASUEN RD

Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Applicant: Tynan Group, Inc.
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes buildings the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Preliminary Approval is requested for Groups C, D, E, G, H, I, and K.)

(PROJECT REQUIRES HISTORIC RESOURCE FINDINGS AND COMPLIANCE WITH PLANNING COMMISSION RESOLUTION NO. 057-04.)

(2:12)

Henry Lenny, Architect, and Alexandra Cole, Architectural Historian, present.

Public comment opened at 2:29 p.m. and, as no one wished to speak, closed at 2:30 p.m.

Motion: Preliminary approval of Groups C, D, E, G, H, I, and K, and continued two weeks with the following comments: 1) The restoration plan of the arbor shall return for in-progress reviews. 2) Trim the wisteria plants on the arbor, possibly when dormant to retain the plantings as much as possible. 3) To restudy the roof of the elevator tower at the pool area. 4) To correct the pool location on all of the plans. 5) The Architectural Historian shall prepare reports stating no negative impacts to historical structures.

Action: Pujo/Hausz, 7/0/0.

June 14, 2006

IN-PROGRESS REVIEW

6. 1900 LASUEN RD

(3:02) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Applicant: Project Solutions LLC
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes buildings the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(In-Progress review of exterior stairway revision and construction detail development for Group E and continued In-Progress review of exterior development of new cottages for Group K.)

Present: Henry Lenny, Architect
Alexandra Cole, Architectural Historian
Katie O'Reilly-Rogers, Landscape Architect
James Jones, Ownership Representative

Public comment opened at 3:33.

Mr. Kellam De Forest asked what happened to the Maxfield Parrish vases and the straight access path that went from the pool up to the pergola that is now shown as a curved path in the proposal.

Public comment closed at 3:34.

Group K

Motion: Continued two weeks with the following comments: 1) Planting should be used for screening as opposed to walls and fences, particularly at the craftsman style cottages. 2) At least two Commissioners felt that the masonry building should use landscape as screening as opposed to the walls. 3) Proposed changes are not consistent with the preliminary approved plans. 4) The charm has been lost; size and quantity of windows have been changed. 5) Comparisons to previously reviewed designs need to be made if incremental changes are proposed. 6) Restudy: a) Building 28, the east elevation lower doors and windows. b) Building 28, north elevation building pattern. c) Building 29, west elevation in its entirety, especially the stair guardrail design. d) Building 29, the north elevation window patterns.

Action: Hsu/Hausz, 8/0/0.

Group E

Motion:

Continued indefinitely with the following comments: 1) The proposed pool does not have the charm and folly of the previous pool proposal. 2) An axial connection to the northern campus pergola is essential. 3) At least two Commissioners felt that the infinity edge and the railings are not acceptable as proposed.

Action:

Hsu/Hausz, 8/0/0.

July 26, 2006

CONCEPT REVIEW - CONTINUED

11. 1900 LASUEN RD

(3:52)

Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Applicant: Project Solutions, LLC
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes buildings the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

Present: Henry Lenny, Architect
Alexandra Cole, Architectural Historian
Heather Miller, Representing Ownership

Public comment opened at 4:04 p.m.

Mr. Kellam De Forest addressed a few questions to the applicant regarding straight paths vs. curved paths and rectangular cut stone of the proposed project, to which the applicant responded they will research and respond directly to Mr. De Forest.

Public comment ended at 4:07 p.m.

Motion: Continued two weeks with the following comments: 1) Restudy re-proportioning the scale of the pool and fitness center to a less monolithic design in size and height and a more compatible design in keeping with the other buildings on the site. 2) Study returning to the charm of the romantic original design, and eliminate the underground structure. 3) Handicap access is acceptable. 4) Offset curve is acceptable as long as it does not meet a more vertical line.

Action: Boucher/Naylor, 9/0/0.

August 23, 2006

CONCEPT REVIEW - CONTINUED

10. 1900 LASUEN RD

(2:53)

Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Architect: Henry Lenny
Applicant: Project Solutions, LLC
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and Units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

(COMMENTS ONLY; THIS MAY REQUIRE ENVIRONMENTAL ASSESSMENT AND PLANNING COMMISSION APPROVAL.)

Present: Henry Lenny, Architect
Katie O'Reilly-Rogers, Landscape Architect
Minh Pham, Ownership Representative
Alexandra Cole, Historian

Public comment opened at 3:05 p.m.

Mr. Kellam De Forest expressed concern regarding the swimming pool's proximity to the cottage versus the house, and made some suggestions regarding an access pathway to the pool and the stonework.

Public comment ended at 3:06 p.m.

Motion: Continued two weeks with the following comments: 1) The applicant shall seriously reconsider the location, shape, enclosure, and axis of the pool. 2) If the shape of the pool is to be axial, then it needs a focal point and the axis defined and reinforced. 3) Making the pool smaller helped in the design. 4) The Commission appreciates the three-dimensional display model of the previous pool design presented, and hope such will continue to be presented as the design develops. 5) The view from Alameda Padre Serra needs to be reconsidered. 6) The Commission recommends the use of ashlar-cut sandstone, a reduction in the size of the buttress wall, a careful consideration of landscape screening, and the provision of vine pockets. 7) The size, bulk, and scale of the pool need to be reduced. 8) The Commission continues to be concerned with the imposition of a structure in the historic lawn, and would prefer a pool in the lawn as opposed to a structure. If any structures are added, they need to be a part of the composition, whether axial or other.

Action: Boucher/Pujo, 7/0/0, (Suding and Murray absent).

November 15, 2006
CONCEPT REVIEW - CONTINUED

5. 1900 LASUEN RD

(3:02) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Applicant: Project Solutions, LLC
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT AND PLANNING COMMISSION APPROVAL.)

Present: Alexandra Cole, Architectural Historian
Henry Lenny, Architect
Minh Pham, Representing Ownership

Public comment opened at 3:06 p.m.

Mr. Kellam De Forest, resident, commended the new pool design. He also commented that swimming pools are difficult to incorporate into landscapes, hiding them so that they do not distract from the bucolic feel of the lawn.

Public comment closed at 3:08 p.m.

Motion: Continued two weeks with the following comments: 1) The Commission commends the applicant for the direction the project has taken. The project has much improved and is more compatible with its environment. 2) At least one Commissioner felt it would be better if the pool sunk into the ground further. Decreasing the depth of the pool is another option. 3) The shack needs to be much more romantic. Look to structures built at the turn of the century by the National Park Service for inspiration to resolve washroom issues. Incorporating a Spanish Mediterranean style was suggested. 4) The open stairwell is problematic. 5) The lift lacks charm. Study the lift and the possibility of incorporating it into the roofline of the restroom. 6) The preservation of the lawn area is much appreciated. 7) The Commission looks forward to seeing a revised model of the project.

Action: Hausz/Naylor, 9/0/0. Motion carried.

November 29, 2006
CONCEPT REVIEW - CONTINUED

6. 1900 LASUEN RD

(4:27) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Applicant: Project Solutions, LLC
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT AND PLANNING COMMISSION APPROVAL.)

Present: Henry Lenny, Architect
Minh Pham, Owner's Representative
Alexandra Cole, Architectural Historian

Public comment opened at 4:50 p.m.

Kellam De Forest, resident, suggested that the stairway to the terrace be moved to the east side of the structure, expanding the lawn area.

Public comment closed at 4:51 p.m.

Straw Vote: How many Commissioners agree that the design does not hang together, and needs more integration of materials and expression? 7/0/0.

Motion: Continued two weeks with the following comments:

1) Resolve the stairway at the north-east corner to be more integrated into the building. **2)** If the chimney is to be retained as an element, it needs to be more in scale with the building. **3)** Restudy the proportions of the north elevation gate. **4)** The Commission does express support for the location and size of the pool, the size of the pool terrace, and for the reduction of the impact of the pool on the site, particularly the lawn.

Action: Naylor/Hsu, 7/0/0. Motion carried. (Murray and Suding absent.)

December 13, 2006
CONCEPT REVIEW - CONTINUED

11. 1900 LASUEN RD

(5:18) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Applicant: Project Solutions, LLC
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: Henry Lenny, Architect.

Motion: Continued to January 10, 2007, back to the Full Board with the following comments: 1) The character, placement, and size of the restroom building are not acceptable. Study use of adjacent space for the restroom function. 2) Retain the planar quality of the existing lawn. Minimize berming against the pool. 3) Study the stairs from the pool deck to the terrace. 4) At least two Commissioners cannot support this proposal.

Action: Pujo/Hausz, 6/3/0. Motion Carried. (Naylor, La Voie, Boucher opposed.)

January 10, 2007

CONCEPT REVIEW - CONTINUED

6. 1900 LASUEN RD

(3:15) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Applicant: Project Solutions, LLC
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: James Jones and Minh Pham, Representing Ownership
Henry Lenny, Architect

Public comment opened at 3:22 p.m.

Kellam De Forest, resident, commended the applicant for bringing back the Maxfield Perrish style vases and expressed his desire that they remain.

Public comment closed at 3:23 p.m.

Motion: Continued two weeks with the following comments: 1) The Commission requests a better integration of the design elements to create less of an intervention into the landscape. 2) Resolve the elevator and steps. 3) Study any resolution that can be done to minimize the amount of berming on to the structure. 4) Programmatic constraints on the design need to be reconsidered, including the requirement for a second exit and washrooms up on the pool deck level.

Action: Naylor/Hausz, 8/0/0. Motion carried.

January 24, 2007

CONCEPT REVIEW - CONTINUED

9. 1900 LASUEN RD

(4:21) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Applicant: Project Solutions, LLC
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements, and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: James Jones and Minh Pham, Representing Ownership
Alexandra Cole, Historian

Straw votes: How many of the Commissioners could support the elements as far as location, size, bulk, and scale? 6/0/2. (Adams/Sharpe abstained.)

How many of the Commissioners agree that no path needs to be delineated down to the fitness center at this point? 5/1/2. (Pujo opposed. Adams/Sharpe abstained.)

How many of the Commissioners would agree to return to the concept previously presented on August 22, 2006? 6/0/2. (Adams/Sharpe abstained.)

Motion: Continued two weeks with the following comments: 1) The Commission would like to see an integration of materials and further effort to integrate into the site with a more natural border transition. 2) Study a delineation of path of travel from the lower area to the upper area to the landscape. 3) The Commission would like to have the applicant return to the concept presented on August 22, 2006, for a stone building with a wood shingle roof and a tile ridge as being an acceptable design for the elevator and washroom enclosure adjacent to the pool.

Action: Boucher/Hausz, 7/0/2. (Adams/Sharpe abstained.) Motion carried.

February 7, 2007

CONCEPT REVIEW - CONTINUED

10. 1900 LASUEN RD

(5:10) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Applicant: Project Solutions, LLC
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: Henry Lenny, Architect
Alexandra Cole, Historian
Minh Pham, Representing Ownership

Public comment opened at 5:27 p.m.

Kellam De Forest, local resident, asked what happened to the idea of the tool house, now shown in the presentation as a very solid rock structure, previously proposed as a whimsy folly with some lightness to it.

Public comment closed at 5:28 p.m.

Motion: Continued two weeks with the following comments: 1) The Commission supports the concept of the presentation. 2) The Commission would like to see the plans delineated with hard lines without water colors.

Action: Boucher/Naylor, 5/0/2. (Adams/Sharpe abstained. La Voie absent.)

Motion carried.

March 21, 2007

CONCEPT REVIEW - CONTINUED

15. 1900 LASUEN RD

(5:55) Assessor's Parcel Number: 019-170-022
Application Number: MST2005-00490
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Architect: Henry Lenny
Business Name: El Encanto Hotel

(This is a Structure of Merit. Proposal to review the Master Plan for the El Encanto Hotel. The planned revisions to the site include relocating cottages, adding new cottages, new landscaping, parking additions and improvements and expansion of the main hotel structure. This portion of the work is Phase II and includes the main building, relocation of the swimming pool, the west parking lot, the historic arbor, and units 2, 3, 4, 17, 18, 19, 25, 26, 27, 28 and 29. Review of additional phases will follow. Phase I of the project (MST99-00305) is complete.)

(Continued Concept Review of alternate swimming pool/fitness center design of Group E.)

(COMMENTS ONLY; PROJECT REQUIRES ENVIRONMENTAL ASSESSMENT, PLANNING COMMISSION APPROVAL, AND HISTORIC RESOURCE FINDINGS.)

Present: Henry Lenny, Architect
Minh Pham, Representing Ownership
Alexandra Cole, Historian
Trish Allen, SEPPS

Motion: Continued indefinitely to the Planning Commission with positive comments and acceptance of the design as proposed. **Historic Resource Findings were made as follows:** The project will not cause a substantial adverse change in the significance of an historical resource.

Action: Boucher/Murray, 7/0/0. (Pujo absent.) Motion carried.

HISTORIC LANDMARKS COMMISSION MINUTES
FOR ENTRY AND SERVICE AREA

December 10, 2008
CONCEPT REVIEW - CONTINUED

8. 1900 LASUEN RD

(4:26) Assessor's Parcel Number: 019-170-022
Application Number: MST2007-00140
Owner: Orient Express Hotels
Applicant: El Encanto, Inc.
Agent: Suzanne Elledge Planning & Permitting Services
Architect: Henry Lenny
Business Name: El Encanto Hotel

(The project site has been designated as a Structure of Merit. Proposal for a revised Master Plan for El Encanto Hotel. The project involves a proposal for a new surface valet parking lot with an operations facility below in the northwest corner, a predominately underground Utility Distribution Facility (Group L) in the northwest corner; a swimming pool with fitness center below (Group E); reapproval of Cottages 27 and 28 (Group N); and, construction of five new cottages (Mission Village) with an underground parking structure below in the northeast corner of the project site (Group M). Phase 1 of the project (MST99-00305) is complete; portions of Phase 2 of the project (previously reviewed under MST2005-00490) including Groups E, L, and N, require Planning Commission approval and are being reviewed with this Phase 3 of the project with Group M, which requires Planning Commission approval as well.)

(Continued Concept Review of the revised Master Plan. New proposal for minor reconfiguration of the main entry off Alvarado Place, new trash enclosure, new screening gate, new retaining walls, relocation of four parking spaces, and landscaping in the service area adjacent to the Main Building.)

Present: Alexandra Cole, Historical Consultant
Trish Allen, SEPPS
James Jones and Minh Pham, Representing Ownership
Kathleen Kennedy, City Associate Planner

Staff comments: Jake Jacobus, Associate Planner/Urban Historian, stated that the revised plan for the Main Entry off of Alvarado Place provides for improved circulation and the addition of a trash enclosure and screening gates. A very small section of the historic sandstone wall will be realigned to provide improved vehicular access from Alvarado Place. No other historic structures will be impacted by this revision. Staff feels that this revision is minor and beneficial and does not require the preparation of an Historic Structure/Site Report.

Public comment opened at 4:40 p.m.

1. Joanna Von Yurt, neighbor – felt it is important that the entry to the site stay clean and closer to what was there before; the stone walls should not be removed, eight feet seems excessive; the trash enclosure should be completely surrounded in stone to match the walls if it would be visible from the street; wondered where the parking currently found in the northwest corner of the site would be moved to.
2. Marc Chytilo, Attorney at Law – felt the sandstone walls are of concern; more complete set of plans should be made available with elevations from the street, although pictures are helpful; the experience through the entry is of historical significance and no historical analysis has been made of the entryway itself; a landscape cultural report addressing the northwest portion of the site is needed; concerned about the number of trees being removed, junipers and arbutus could have some significance and may have been part of the historical component; this configuration results in loss of five parking spaces.
3. Kellam de Forest, local resident – felt there is a need for an overall site plan.
4. Ronald Hays, neighbor – thought the utility facility would be noisy, unattractive, and neighborhood unfriendly; there should be resolution of the northwest corner issues before an approval is made.
5. Trevor Martinson, architect – the survey by Joe Waters, which identifies all the buildings on site, including those intruding into the side and frontyard setbacks of the entire site should be included in the Commission’s review of the project; employee parking on site is important under the Covenants, Conditions and Restrictions; would like to know what happened to the sign at Alameda Padre Serra and Los Olivos that was part of El Encanto site.

Public comment closed at 4:50 p.m.

Straw vote: How many Commissioners would agree that a focused Addendum Letter Report should be required for the landscape? 0/7. (All opposed.)

Motion: **Continued indefinitely to the Planning Commission with the following comments:** **1)** There is concern with respect to the strategy of reviewing this project in sections without a complete context to differentiate between what was previously approved and the proposed changes. **2)** The entry is an important element of the entire historical aspect of this building site. Explore alternatives with respect to the entry’s narrowness and preserving some feel for the rustic, small-scaled aspect of this entry. **3)** The preservation of two Eucalyptus trees is appreciated. **4)** The plant palette should follow drought-tolerant conservation guidelines. Explore other options such as a Coast Live Oak (*Quercus agrifolia*). **5)** Reinvestigate the bed planting in the entry. **6)** The relocation of the employee parking is of concern as it affects other aspects of the proposed plan. **7)** The north wall trash closure should be sandstone.

Action: Boucher/Hausz, 7/0/0. (Curtis/Pujo absent.) Motion carried.

- C. Comments from members of the public pertaining to items not on this agenda.

Chair Larson opened the public hearing at 1:08 P.M. and, with no one wishing to speak, closed the hearing.

ACTUAL TIME: 1:11 P.M.

III. NEW ITEM:

APPLICATION OF TRISH ALLEN, SUZANNE ELLEDGE PLANNING & PERMITTING SERVICES, AGENT FOR ORIENT EXPRESS HOTELS, TRAINS & CRUISES, EL ENCANTO HOTEL AND GARDEN VILLAS, 1900 LASUEN ROAD, APN 019-170-022, R-2/4.0/R-H: TWO FAMILY RESIDENTIAL/ 4 UNITS PER ACRE/ RESORT-RESIDENTIAL HOTEL ZONES, GENERAL PLAN DESIGNATION: RESIDENTIAL, 3 UNITS/ACRE (MST2007-00140)

The proposed project is a Revised Master Plan consisting of the following components: 1) a predominantly underground utility distribution facility and a surface valet parking lot with an operations facility below in the northwest corner; 2) Mission Village, consisting of 5 cottages with a valet parking garage below in the northeast corner; 3) Cottages 27 and 28, which were previously approved and eliminated; and 4) a swimming pool with a fitness center below. The proposal also includes a realignment of a small portion of the sandstone wall at the main driveway entrance on Alvarado Place to provide better circulation. Also, a new trash enclosure, screening gate, retaining walls and landscaping are proposed for the service area adjacent to the Main Building. The four parking spaces that were previously approved in the service area would be relocated to the Mission Village parking structure.

The discretionary applications required for this project are:

1. Modification to allow the utility distribution facility and Mission Village to encroach into the front setback along Mission Ridge Road (SBMC§28.27.050);
2. Modification to allow the utility distribution facility and surface parking lot to encroach into the front setback along Alvarado Place (SBMC§28.27.050);
3. Modification to allow Mission Village and Cottages 27 and 28 to encroach into the interior setback on the east side of the property (SBMC§28.27.050);
4. Modifications to provide less than the required distance between buildings (SBMC§28.27.050.2);
5. Development Plan Approval, as defined within R-H Zone standards (SBMC§28.27.100);
6. Development Plan Approval to allocate 7,021 square feet of non-residential square footage from the Minor Addition and Small Addition categories (SBMC§28.87.300); and
7. Transfer of Existing Development Rights of 10,000 square feet of non-residential floor area to the project site (SBMC§28.95).

The Planning Commission will also consider approval of the Mitigated Negative Declaration prepared for the project pursuant to the California Environmental Quality Act Guidelines Section 15074.

Case Planner: Kathleen Kennedy, Associate Planner

Email: kkennedy@SantaBarbaraCA.gov

Kathleen Kennedy, Associate Planner, gave the Staff presentation.

Suzanne Elledge, Suzanne Elledge Planning and Permitting Services, made some opening statements.

Trish Allen, Suzanne Elledge Planning and Permitting Services, gave the applicant presentation; and Jim Lefever, Architect, Gensler, and Doug Fell, Legal Counsel, answered questions.

The following Design Review board members spoke:

1. Donald Sharpe, Vice Chair of Historic Landmark Commission (HLC), stated that he was not on the HLC for the original Master Plan approval and that the HLC has been dealing with the fragmentation of the project and reviewing it in bits and pieces. He read the motion made at the December 10, 2008 HLC meeting, which were in regard to revisions to the service area and driveway entry. Mr. Sharpe mentioned that the letter distributed to the Planning Commission from HLC member, Robert Adams, landscape architect, represented his personal comments and were not a part of any HLC meeting or minutes.
2. Fermina Murray, HLC member, stated that Commissioners were concerned about the piece-mealing of the project, that this was part of the process in the beginning because it was a very difficult project, but as the project developed, things got away from them and it was difficult to understand from month to month what was really happening. She stated that the HLC minutes reflect only the highlights of all the meetings. She stated that she joined the HLC in 2004 so obviously this began well before she was there. She stated that one of the biggest issues that Commissioners expressed at the various meetings was the entrance and the row of eucalyptus trees at the northwest corner and Alvarado Place. She stated that she had voiced strong emotions about these character defining elements for the site, as well as the neighborhood and that is why a lot of people were speaking about it. She stated that on the east or northeast side, all of the letters are for it because the encroachments there are very minimal, the row of trees will be preserved and because of the dip into the Mission Village. She expressed her personal opinion and concern that the character of the northwest corner is being exchanged for a utility and laundry facility. She stated that for the rest of the Revised Master Plan, the HLC, with Bill LaVoie, worked diligently to improve the appearance of the buildings. She stated that the HLC did not talk much about Mission Village but that most of its comments were in regard to the northwest corner. When asked by Chair Larson whether she was referring to the row of trees that were proposed to be preserved, she stated that the HLC has a problem with the condition that states that an arborist

determines whether or not they are diseased. She further stated that because the trees are the character defining part of the site and need to be preserved, there is a need to look at how the revised project is going to impact the trees.

Chair Larson opened the public hearing at 1:54 P.M.

The following people spoke in support of the project:

1. Jim Knight, Riviera Association President, commented that the Orient Express has well-known credentials in preservation of historic properties all over the world; many of the residents were excited to hear about the much-needed renovation; and the concerns of the immediate neighbors have been evaluated, addressed and mitigated.
2. Brigitte Forssell, neighbor, commented that El Encanto property should be restored and functioning as soon as possible; the planning process has been attentive to the historic significance of the property; the concerns regarding noise issues have been studied and evaluated by certified professionals and scientific methodologies were applied; and other controversial projects in the area turned out to be beneficial to the neighborhood.
3. Peter Jordano, former Riviera resident, commented that noise should be expected if residents choose to buy property next to a hotel; although the narrow entrance is historical, it is not safe to drive through; and expressed concern with the delay's affect on the community.
4. Paul Cashman, former Riviera Association President, urged the approval of the project for it to move forward; the Orient Express has been attempting to mitigate the negative impacts and provide a world class hotel; and the Riviera Association feels that concerns have been addressed
5. Edward Cooper, neighborhood resident, commented that the new proposal will be beautiful and classy; not all the residents are opposed to proposal; and the applicant has listened to neighbors.
6. Greg Parker, neighbor, commented that the environmental impacts of the proposed Modifications have been adequately addressed; the efficient use of property should be approved by the City; supports transfer of development rights because it will increase the quality; and a partially constructed project for an extended length of time is not needed.
7. Steve Cushman, Executive Director, Santa Barbara Region Chamber of Commerce, commented that the Chamber of Commerce supports the project; and due diligence and science has been done.

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

1. Elizabeth Leslie, neighbor, expressed concern with tandem parking, requested parking be underground; the tranquility and charm of the northwest corner is lost; and suggested that the cottages and plantings that were removed should be placed back.
2. Ronald Hays, neighbor, commented that all neighbors want the hotel to open, but do not want a monolith operating facility in an area which historically had quiet and sedate cottages; concerned with parking lot to be used when the original parking lot was

- illegally placed in that area; and the proposed Modifications are not supported by the Historic Landmarks Commission.
3. Dawnna Boo, neighbor, commented that the delay of the hotel's opening gives time for the applicant to give the neighbors' concerns merit; a petition was signed in December by neighbors and others in the City; and the main issue was in regard to the proposed changes to the previously approved plans for the quaint, low-key resort.
 4. Lynn Cederquist, speaking on behalf of Ray and Olga Cockel, neighbors, expressed concern with changes made to the original approved project; the parking lot is in the middle of neighborhood, not downtown; and a proposal smaller in density would be more compatible with the surrounding tranquil and peaceful neighborhood.
 5. Jan Marco Von Yurt, neighbor, expressed opposition to what is being proposed for the northwest corner; there is no need to have the utility plant the farthest away from the hotel and proposed buildings; and to be efficient the utility plant should be in the center.
 6. Tim Angulo, neighbor, is opposed to above ground parking and the utility facility being placed where proposed.
 7. Joanna Von Yurt, neighbor, commented that what is proposed is in violation of the Zoning Ordinance; underground parking should be as originally offered; the laundry operation and office should be distributed throughout the site; and just because setback Modifications were encroached in the past, does not mean it should now be allowed.
 8. Allan Blair, former Riviera resident, commented that the quasi-industrial complex in the northwest area of the site is not in consonance with the City's aims; requested denial of placement of these activities where proposed because of the impact and degradation on the quality of life of the residents.
 9. Margo Kenny, neighbor, commented about the preservation of the rural quality; and suggested consideration of the Orpet Park on the south end part of the site for the utility facility.
 10. Farrokh Nazerian, neighbor, commented that the project would violate the zoning ordinance by putting all the noisy, polluting, and undesirable aspects of the project on the northwest corner; the site plan should be revised; the Mitigated Negative Declaration is legally incorrect and defies common sense; and the concentration of the back office, utility, laundry and parking could be disbursed throughout the site.
 11. Marc Chytilo, attorney at law, representing some neighbors, requested a denial of the Modifications in the northwest corner and stated that the following are issues of concern: visual, historical, noise with valet parking, traffic and car alarms, cumulative impacts, planning issues, deed restrictions imposed; the HLC's statement that the "acceptance of the Historic Structures Report does not confer the Commission's acceptance of the current configuration of the Utility Distribution Facility (UDF) and garage as shown in the drawings"; the loud generation of sound from the UDF; and the lack of an EIR preparation shortcuts the ability to understand the project's impacts.

Dana Morrow completed a request to speak form, but did not speak.

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

Staff and/or applicant responded to the Commission questions about:

1. The applicant stated that the noise level while the El Encanto Hotel was in operation was not analyzed as part of the noise study.
2. Staff stated that the proposed structure would have a 17 foot setback instead of the required 30 foot setback on both Alvarado Place and Mission Ridge Road at the northwest corner of the utility distribution facility.
3. The applicant stated that the distance between trees and the construction has not been surveyed; however, if the trees have to be saved, an arborist would be consulted to make sure the footings do not kill the trees.
4. Scott Vincent, Assistant City Attorney, stated that the 2004 deed restrictions refer to the Declaration of Covenants, Conditions, and Restrictions (CC&Rs) filed at the County Clerk-Recorder's Office that is intended to memorialize intentions of the Planning Commission and City Council regarding land use actions. CC&Rs do not forever freeze the development of a property.
5. Staff stated that the Fire Department has commented that all eucalyptus trees being preserved should be trimmed, the crowns separated, all dead wood removed and maintained. The five eucalyptus trees in the northwest portion of the property are to remain unless an arborist report determines that they should be removed because of disease, safety, or fire hazard.
6. The applicant stated that the cottage will have 1,000 square feet and the area underground to be devoted to the laundry facility would be approximately 1,000 square feet as well. Its purpose is related to laundry service for guests on site, and washing of bathrobes and towels. All other linens will be cleaned off site.
7. The applicant stated that the Master Plan design with no back house was the failure of the architect at the time. The new design will allow the hotel to operate properly. Keeping some of these services on site has environmental benefits as well.
8. The applicant stated that they assessed other places where the utility distribution facility could be placed and concluded that other areas would result in potential impacts to the historic areas of the site. No other areas would work as well as the northwest corner.
9. The applicant stated the project is called a "Revised Master Plan" because there was already a developed Master Plan project that was previously approved.
10. The applicant stated that the 92 units include lock out units.
11. Staff clarified that, as to an unforeseen need for more square footage, this project is using all its Measure E square footage. The applicant cannot get more square footage without Planning Commission review. It would require another Development Plan Approval. Almost all units are historical and must remain in their historical configurations. There is no freedom to change the footage. Those not considered historical would allow changes.
12. Staff stated that the visual aesthetics do not refer to what was in the first Master Plan that was reviewed by the Planning Commission in 2004, but rather what is seen presently.
13. Staff stated that the parking structure in the northeast corner is a separate underground facility and the buildings on top are on separate foundations; therefore, the distance between buildings requirement applies.
14. Staff indicated that the closest house to the northwest corner is 73 feet from the road.

15. Staff stated that the Commission would need to determine whether the proposed area for the back house is appropriate.
16. Scott Vincent, Assistant City Attorney, explained that Measure E allocations deal with non-residential use, anticipates the merger and division of land, and sets parcels as existed in 1999 when Measure E was adopted. If the parcel is divided after Measure E, the allotment is divided amongst the divisions of the original lot. There is a conservation of the square footage.
17. Staff stated that the removal of historically significant trees at the end of their lifespan or because of disease would not constitute a significant impact, because it is the nature of the resource. That is not to say that they could not be replaced by trees in-kind to replace the historical character.
18. Staff stated that El Encanto Road ends at the hotel's property line.

The Commissioners made the following comments:

1. El Encanto has been in existence longer than most of the structures surrounding it. It should be cherished and the City should do whatever possible to encourage it for both the public and economic benefit.
2. The Orient Express' commitment to move forward with a project is appreciated, particularly in the face of what is seen with other hotels in the city in various states of disrepair and wounding the region's economic and general way of life.
3. The fragmentation process inherited from the previously approved plan is difficult.
4. The proposed change to the driveway entry is very noticeable.
5. The extent of disruption of the site to date substantially exceeds the original plan in terms of topography and eligible historic structure demolition.

Modifications:

6. One Commissioner supports a Modification to allow the utility distribution facility and Mission Village to encroach into the front setback along Mission Ridge Road;
7. One Commissioner supports a Modification to allow the utility distribution facility and surface parking lot to encroach into the front setback along Alvarado Place;
8. Two Commissioners support a Modification to allow Mission Village and Cottages 27 and 28 to encroach into the interior setback on the east side of the property;
9. Two Commissioners support Modifications to provide less than the required distance between buildings.
10. One Commissioner is supportive of Modifications in principal to provide less than the required distance between buildings. Also, expressed concern regarding the location of outdoor fireplaces directly under pine trees.
11. Could not support proposed Modifications along Mission Ridge and Alvarado Place for the utility distribution plant because the Commission did not feel that the modifications were appropriate..
12. The encroachment of Mission Village buildings into Mission Ridge Road and Cottages 27 and 28 are different from the utility distribution site because they have a less intense use.

13. The purpose of the 30 foot setback is to make a resort hotel more compatible with the surrounding residential neighborhood.
14. If there was a parking lot or other uses along Alvarado Place, it does not mean a Modification should continue. This is important in order to maintain the historic character of the site.
15. The surface parking lot is an improvement from the 2004 proposal because it has been lowered further into the grade, hidden behind the wall, and it is reduced in capacity.
16. The setbacks came into being long after the project was built. Most of the project is in the setbacks because the setbacks came later.
17. The encroachments below grade are improvements.
18. The distances between buildings are encroachments to a much lesser extent than the historical buildings many of which are being replaced. The HLC supports them, other than the UDF at the northwest corner.
19. The facilities could be arranged in such a way that the Modifications would not be necessary.
20. The applicant should consider what would be done if the Modifications are not approved.

Development Plan Approval:

21. One Commissioner supports the Development Plan Approval, as defined within R-H Zone standards.
22. Two Commissioners support the Development Plan Approval to allocate square feet of non-residential square footage.
23. Three Commissioners believe that the R-H zone standards that are about neighborhood compatibility are not seen in the proposal.

Transfer of Existing Development Rights:

24. Three Commissioners support the Transfer of Existing Development Rights.
25. One Commissioner stated that it was never the intent to take square footage from an industrial zone and place it in a residential area.
26. All transferred footage is subterranean and is not impacting neighborhood.

Mitigated Negative Declaration:

27. Five Commissioners support the approval of the Mitigated Negative Declaration.
28. One Commissioner stated that it is not realistic to ask that car alarms be turned off when valet parking.
29. One Commissioner stated that the tandem parking would increase the intensity of use that would be more detrimental to the neighborhood.

Utility Distribution Facility location:

30. Construction of the facility in such close proximity to the eucalyptus trees would negatively impact their life expectancy.

31. The EIR process could be avoided if there were design recommendations integrated into the project to reduce problems and environmental impacts. These would include relocating the utility distribution facility further to the south.
32. The northwest facility is of concern and could not support the project due to a lack of demonstration of necessity.
33. The "industrial strength" central heating plant is problematic next to houses in the R-H zone.
34. The above grade structure serves the purpose of buffering subterranean sounds as well as the sounds and headlights from the valet parking lot.
35. The valet parking lot is sunken down better, but still changes the streetscape. Before there was a sense of open space and landscaping.
36. If the cottages that existed in the northwest area had not been demolished, it would have avoided a sense of encroachment now that UDF is being proposed there.
37. It would be an advantage to not have so many back house activities located at the northwest corner.

**** THE COMMISSION RECESSED FROM 4:07 P.M. TO 4:25 P.M. ****

Mr. Fell stated that the applicant is willing to relocate the above grade portion of the utility distribution facility out of the setback, so that it no longer would require a Modification. Mr. Fell also mentioned that if the utility distribution facility was no longer part of the project description, a 52 space surface parking lot with Modifications has already been approved at this location, when the Orient Express did not own the property. The proposed wall around the proposed parking lot and the lowering of the grade was actually requested by the Historic Landmarks Commission.

The Commissioners concluded with the following comments:

1. With regard to the Development Plan Approval in the R-H zone, when a use is intensified in an established neighborhood, the project should be adjusted to reduce the adverse external impacts that it causes on the neighborhood.
2. Would be able to support the project if the applicant would place the new utility distribution facility structure out of the setback. .
3. As long as the subterranean facility encroaching into the setback area below grade is covered with dirt and not visible to anyone, it would be supportable.

The Modification requests to allow the above ground portion of the utility distribution facility to encroach into the setbacks along Alvarado Place and along Mission Ridge Road were withdrawn by the applicant.

STRAW VOTES:

1. How many Commissioners would agree with a Modification to allow Mission Village to encroach into the front setback along Mission Ridge Road?

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

2. How many Commissioners would agree with the approval of the Mitigated Negative Declaration prepared for the project, making the findings in the Staff report?

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

MOTION: Jostes/Bartlett

Assigned Resolution No. 004-09

To make the findings and adopt the Mitigated Negative Declaration prepared for the project.

This motion carried by the following vote:

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

MOTION: Jostes/Bartlett

Assigned Resolution No. 004-09

Approved the project, making the findings for approval of: 1) a Modification to allow Mission Village to encroach into the front setback along Mission Ridge Road; 2) a Modification to allow the surface parking lot to encroach into the front setback along Alvarado Place; 3) a Modification to allow Mission Village and Cottages 27 and 28 to encroach into the interior setback on the east side of the property; 4) Modifications to provide less than the required distance between buildings; 5) Development Plan Approval, as defined within R-H Zone standards 6) a Development Plan Approval to allocate 7,021 square feet of non-residential square footage from the Minor Addition and Small Addition categories; 7) a Transfer of Existing Development Rights of 10,000 square feet of non-residential floor area to the project site; making the findings as outlined in the Staff Report, subject to the Conditions of Approval in Exhibit A of the Staff Report.

This motion carried by the following vote:

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

Chair Larson announced the ten calendar day appeal period.

ACTUAL TIME: 4:49 P.M.

IV. ADMINISTRATIVE AGENDA

- A. Committee and Liaison Reports.

Commissioner White reported on the Water Commission meeting that occurred on Monday, February 9. A document was circulated to the Planning Commission of the Water Commission's comments with regard to the desalination facility.

- B. Review of the decisions of the Staff Hearing Officer in accordance with SBMC §28.92.026.

None were requested.



City of Santa Barbara California

CITY OF SANTA BARBARA PLANNING COMMISSION

RESOLUTION NO. 004-09

1900 LASUEN ROAD

MODIFICATIONS, DEVELOPMENT PLAN APPROVALS,

TRANSFER OF EXISTING DEVELOPMENT RIGHTS, AND MITIGATED NEGATIVE DECLARATION

FEBRUARY 12, 2009

APPLICATION OF TRISH ALLEN, SUZANNE ELLEDGE PLANNING & PERMITTING SERVICES, AGENT FOR ORIENT EXPRESS HOTELS, TRAINS & CRUISES, EL ENCANTO HOTEL AND GARDEN VILLAS, 1900 LASUEN ROAD, APN 019-170-022, R-2/4.0/R-H: TWO FAMILY RESIDENTIAL/ 4 UNITS PER ACRE/ RESORT-RESIDENTIAL HOTEL ZONES, GENERAL PLAN DESIGNATION: RESIDENTIAL, 3 UNITS/ACRE (MST2007-00140)

The proposed project is a Revised Master Plan consisting of the following components: 1) a predominantly underground utility distribution facility and a surface valet parking lot with an operations facility below in the northwest corner; 2) Mission Village, consisting of 5 cottages with a valet parking garage below in the northeast corner; 3) Cottages 27 and 28, which were previously approved and eliminated; and 4) a swimming pool with a fitness center below. The proposal also includes a realignment of a small portion of the sandstone wall at the main driveway entrance on Alvarado Place to provide better circulation. Also, a new trash enclosure, screening gate, retaining walls and landscaping are proposed for the service area adjacent to the Main Building. The four parking spaces that were previously approved in the service area would be relocated to the Mission Village parking structure.

The discretionary applications required for this project are:

1. Modification to allow the utility distribution facility and Mission Village to encroach into the front setback along Mission Ridge Road (SBMC§28.27.050);
2. Modification to allow the utility distribution facility and surface parking lot to encroach into the front setback along Alvarado Place (SBMC§28.27.050);
3. Modification to allow Mission Village and Cottages 27 and 28 to encroach into the interior setback on the east side of the property (SBMC§28.27.050);
4. Modifications to provide less than the required distance between buildings (SBMC§28.27.050.2);
5. Development Plan Approval, as defined within R-H Zone standards (SBMC§28.27.100);
6. Development Plan Approval to allocate 7,021 square feet of non-residential square footage from the Minor Addition and Small Addition categories (SBMC§28.87.300); and
7. Transfer of Existing Development Rights of 10,000 square feet of non-residential floor area to the project site (SBMC§28.95).

The Planning Commission also considered approval of the Mitigated Negative Declaration prepared for the project pursuant to the California Environmental Quality Act Guidelines Section 15074.

WHEREAS, the Planning Commission has held the required public hearing on the above application, and the Applicant was present.

WHEREAS, 6 people appeared to speak in favor of the application, and 13 people appeared to speak in opposition thereto, and the following exhibits were presented for the record:

1. Staff Report with Attachments, February 5, 2009.
2. Site Plans
3. Correspondence received in support of the project:
 - a. Helena Seyffert-Hill, Santa Barbara, CA
 - b. Don and Mary Schmidt, Santa Barbara, CA
 - c. Geiler Family, via email
 - d. Claire Bogaard, Pasadena, Santa Barbara, CA
 - e. Raymond and Nancy Fisher, Santa Barbara, CA
 - f. Jim Knight, The Riviera Association, via email
 - g. Paul Cashman, former president of The Riviera Association, via email
4. Correspondence received in opposition to the project:
 - a. Judy Orias, Allied Neighborhood Association, via email
 - b. Marc Chytilo, Attorney at Law, via email
 - c. Naomi Kovacs, Citizens Planning Association, via email
 - d. Frank Hotchkiss, via email
 - e. McKenna Spaulding, via email
 - f. Ronald Hays, Santa Barbara, CA
 - g. Farrokh Nazerian, Santa Barbara, CA
 - h. Robert Adams, , via email
 - i. Paula Westbury, Santa Barbara, CA
 - j. Neighborhood petition of 69 signatures

NOW, THEREFORE BE IT RESOLVED that the City Planning Commission:

I. Approved the subject application making the following findings and determinations:

A. Final Mitigated Negative Declaration Adoption

1. The Planning Commission has considered the proposed Final Mitigated Negative Declaration together with comments received during the public review period process.
2. The Planning Commission finds on the basis of the whole record before it (including the initial study and comments received) that there is no substantial evidence that the project will have a significant effect on the environment.
3. The Planning Commission finds that the Final Mitigated Negative Declaration reflects the Planning Commission's independent judgment and analysis.
4. The Planning Commission finds that the Final Mitigated Negative Declaration has been prepared in compliance with CEQA, and constitutes adequate environmental evaluation for the proposed project.
5. A mitigation monitoring and reporting program for measures required in the project or made a condition of approval to mitigate or avoid significant environmental effects has been prepared.
6. The location and custodian of the documents or other materials which constitute the record of proceedings upon which this decision is based is the City of Santa Barbara Community Development Department, 630 Garden Street, Santa Barbara, California.

B. Modifications (SBMC§28.27.050)

The modification requests to allow the surface valet parking lot to encroach into the front setback along Alvarado Place; Mission Village Cottages 32 and 33 to encroach into the front setback along Mission Ridge road; Mission Village Cottages 33 and 34 and Cottages 27 and 28 to encroach into the eastern interior setback and the modification requests to provide less than the required distance between buildings are consistent with the purposes and intent of the Zoning Ordinance and are necessary to secure an appropriate improvement on a lot, because the amount of encroachment is less than or equal to the encroachment of the amenities that previously existed in these locations, and there is substantial landscape and visual buffers between these amenities and their respective lot lines, as described in Section VII of the Staff Report.

C. Development Plan Approval (SBMC§28.87.300)

1. The proposed development complies with all provisions of the Zoning Ordinance. *With the approval of the requested Modifications, the proposed Revised Master Plan will be in compliance with the R-H Zone standards, as described in Section VII of the Staff Report.*

2. The proposed development is consistent with the principles of sound community planning. *The proposed project is consistent with the principles of sound community planning by maintaining the current use of the property as a resort hotel, which is an allowed use in the R-H Zone, and conforms to the General Plan description of the neighborhood, as described in Section VII of the Staff Report. Further, the project has been designed to minimize the impact on its residential neighbors.*
3. The proposed development will not have a significant adverse impact upon the neighborhood's aesthetics/character in that the size, bulk or scale of the development will be compatible with the neighborhood. *All exterior alterations onsite require review and approval by the Historic Landmarks Commission (HLC). The HLC has conceptually reviewed the project and has found it to be compatible with the existing buildings and the surrounding neighborhood.*
4. The proposed development will not have a significant unmitigated adverse impact upon City and South Coast affordable housing stock. *The project would not result in a significant impact to City and South Coast affordable housing stock as it will maintain the current use as a resort hotel, and will not increase the number of rooms or employees, as described in Section 8 of the Initial Study/Mitigated Negative Declaration.*
5. The proposed development will not have a significant unmitigated adverse impact on the City's water resources. *Adequate City services are currently available to the project site. Water resource impacts are not anticipated with the construction of the proposed development because there will be no increase in water demand as described in Section 9 of the Initial Study/Mitigated Negative Declaration.*
6. The proposed development will not have a significant unmitigated adverse impact on the City's traffic. *Traffic impacts are not anticipated with the construction of the proposed development because the hotel maintains the same number of rooms as the previously existing hotel, as described in Section 11 of the Initial Study/Mitigated Negative Declaration.*
7. Resources will be available and traffic improvements will be in place at the time of project occupancy. *Adequate City services are currently available to the project site, and traffic improvements are not required.*

D. Development Plan in R-H Zone (SBMC§28.27.100)

1. The proposed development is consistent with the regulations in the R-H zone. *With the approval of the requested Modifications, the proposed Revised Master Plan will be in compliance with the R-H Zone standards, as described in Section VII of the Staff Report.*
2. The proposed development meets the intent of the R-H Zone District by ensuring the least possible conflict with or disturbance of the amenities attached to and associated with adjoining residential areas. *The project has reduced its potential impacts to a less than significant level, and including amenities to increase landscaping and reduce noise, as described in Section VIII.C. of the Staff Report.*

E. Transfer of Existing Development Rights (SBMC§28.95.060)

1. The proposed development plans for both the sending and receiving sites are consistent with the goals and objectives of the General Plan of the City of Santa Barbara and the Municipal Code. *The mixed-use development on the sending site received approval by the City Council on April 17, 2001 and met all standards for review. With approval of the requested Modifications, the receiving site (El Encanto Hotel) will comply with all standards for review in Section 28.87.300.E., as stated in the findings C.1 through C.7 above.*
2. The proposed developments will not be detrimental to the site(s), neighborhood or surrounding areas. *The sending site project was approved by the City Council and the Architectural Board of Review, which found the project to be appropriate, and the El Encanto Hotel project has reduced its potential impacts to a less than significant level, and included amenities to increase landscaping and reduce noise.*
3. The floor area of proposed nonresidential development on the receiving site does not exceed the sum of the amount of Existing Development Rights transferred when added to the amount of Existing Development Rights on the receiving site, and does not exceed the maximum development allowed by the applicable zoning of the receiving site. *The proposed total new floor area of 17,021 s.f. does not exceed the sum of the transferred square footage (10,000 square feet) plus the 7,021 s.f. of Small and Minor Additions of Measure E square footage allowed for the site plus the amount of existing development. The proposed development does not exceed the maximum development allowed by the R-H Zone.*

4. Each of the proposed nonresidential developments on the respective sending site(s) and receiving site(s) will meet all standards for review as set forth in Section 28.87.300.E of the Municipal Code and all provisions of this Chapter, and will comply with any additional specific conditions for a transfer approval. *The sending site received approval by the City Council on April 17, 2001 and met all standards for review. With approval of the requested Modifications, the receiving site (El Encanto Hotel) will comply with all standards for review in Section 28.87.300.E., as stated in the findings C.1 through C.7 above.*
5. Development remaining, or to be built, on a sending site is appropriate in size, scale, use, and configuration for the neighborhood and is beneficial to the community. *The development on the sending site received approval by the City Council on April 17, 2001 and has been constructed. The development was approved by the Architectural Board of Review which found it to be compatible with the surrounding neighborhood.*

II. Said approval is subject to the following conditions:

- A. **California Department of Fish and Game Fees Required.** Pursuant to Section 21089(b) of the California Public Resources Code and Section 711.4 et. seq. of the California Fish and Game Code, the approval of this project shall not be considered final unless the specified Department of Fish and Game fees are paid and filed with the California Department of Fish and Game within five days of the project approval. Without the appropriate fee, the Notice of Determination cannot be filed and the project approval is not operative, vested, or final. The fee shall be delivered to the Planning Division immediately upon project approval in the form of a check payable to the California Department of Fish and Game.
- B. **Design Review.** The project is subject to the review and approval of the Historic Landmarks Commission (HLC). HLC shall not grant preliminary approval of the project until the following Planning Commission land use conditions have been satisfied:
 1. **Arborist Report.** Prior to submittal to the HLC for preliminary approval of development in the northwest corner, the arborist report (required per Condition E.2 below) shall be reviewed and approved by the City's Environmental Analyst. If any of the trees are to be removed pursuant to the arborist determination, the trees shall be replaced with skyline trees.
 2. **Canopy Trees.** At least six canopy trees (minimum 36 inch box size) shall be incorporated into the final plans in the Mission Village area as required by the Historic Landmarks Commission on June 11, 2008.
 3. **Screened Check Valve/Backflow.** The check valve or anti-backflow devices for fire sprinkler and/or irrigation systems shall be provided in a location screened from public view or included in the exterior wall of the building.

- C. **Recorded Conditions Agreement.** Prior to the issuance of any Public Works permit or Building permit for the project on the Real Property, the Owner shall execute a written instrument, which shall be reviewed as to form and content by the City Attorney, Community Development Director and Public Works Director, recorded in the Office of the County Recorder, and shall include the following:
1. **Approved Development.** The development of the Real Property approved by the Planning Commission on February 12, 2009 is limited a Resort-Residential Hotel consisting of a main building, restaurant, swimming pool, fitness center, valet parking, utility distribution facility, associated back of house facilities, and up to 97 guest rooms within the improvements shown on the project plans signed by the chair of the Planning Commission on said date and on file at the City of Santa Barbara.
 2. **Uninterrupted Water Flow.** The Owner shall provide for the uninterrupted flow of water onto the Real Property including, but not limited to, swales, natural watercourses, conduits and any access road, as appropriate.
 3. **Recreational Vehicle Storage Prohibition.** No recreational vehicles, boats, or trailers shall be stored on the Real Property.
 4. **Landscape Plan Compliance.** The Owner shall comply with the Landscape Plan approved by the Historic Landmarks Commission (HLC). Such plan shall not be modified unless prior written approval is obtained from the HLC. The landscaping on the Real Property shall be provided and maintained in accordance with said landscape plan. If said landscaping is removed for any reason without approval by the HLC the owner is responsible for its immediate replacement.
 5. **Storm Water Pollution Control and Drainage Systems Maintenance.** Owner shall maintain the drainage system and storm water pollution control devices intended to intercept siltation and other potential pollutants (including, but not limited to, hydrocarbons, fecal bacteria, herbicides, fertilizers, etc.) in a functioning state (and in accordance with the Operations and Maintenance Procedure Plan prepared in accordance with the Storm Water Management Plan BMP Guidance Manual). Should any of the project's surface or subsurface drainage structures or storm water pollution control methods fail to capture, infiltrate, and/or treat water, or result in increased erosion, the Owner shall be responsible for any necessary repairs to the system and restoration of the eroded area. Should repairs or restoration become necessary, prior to the commencement of such repair or restoration work, the applicant shall submit a repair and restoration plan to the Community Development Director to determine if an amendment or a new Building Permit is required to authorize such work. The Owner is responsible for the adequacy of any project-related drainage facilities and for the continued maintenance thereof in a manner that will preclude any hazard to life, health, or damage to the Real Property or any adjoining property.

6. **Operational Covenants.** The Owners shall operate the hotel in accordance with the following requirements:
 - a. **Parking.** All parking spaces shall be kept open and available for the parking of vehicles in the manner for which the parking spaces were designed and permitted.
 - b. **Landscape Maintenance.** All landscaping shown on the approved Landscaping Plan shall be maintained and preserved at all times in accordance with the Plan.
 - c. **Trash and Recycling.** Trash holding areas shall include recycling containers with at least equal capacity as the trash containers, and trash/recycling areas shall be easily accessed by the consumer and the trash hauler. Green waste shall either have containers adequate for the landscaping or be hauled off site by the landscaping maintenance company. If no green waste containers are provided on-site, the green waste will be hauled off site.
 - d. **Gates.** Any gates that have the potential to block access to any designated commercial space shall be locked in the open position during business hours.
7. **Visitor Information Program.** A Visitor Information Program shall be prepared and implemented, subject to review and approval by the Public Works Director. The program shall include, but not be limited to:
 - a. Provide links to alternative transportation sites on the company website.
 - b. Provide information to visitors (prior to them coming) regarding alternative transportation available in Santa Barbara.
 - c. Provide free shuttle service to and from airport, rail, regional bus services and downtown locations.
 - d. A means of providing train, bus and airline schedules and maps to prospective hotel guests.
 - e. A means of providing hotel guests with information on alternative transportation modes, schedules, and maps of access to the Central Business District, beach area and other local and regional points of interest. In addition, the hotel operator shall contact the Metropolitan Transit District to purchase bus and/or shuttle passes or tokens for hotel guests. These passes shall be available to any guests who request them.
 - f. Advertisement for and solicitation of meetings and other events which includes explanation of the City's clean air and energy reduction goals and an explanation of the benefits of using alternative transportation modes.

- g. A means of coordinating special events with the City so that appropriate traffic controls, rerouting, and timing of events can be achieved.
8. **Recyclable Material Use and Collection.** Hotel and restaurant operators shall encourage guests to recycle by using recyclable materials, and providing sufficient and appropriate receptacles, such as recycling containers, in each room. Recyclable material and green waste collection and pick-up areas shall be provided on-site for the hotel and restaurant operations. A minimum of 50 percent of the area devoted to holding trash for the project shall be used for recycling purposes.
 9. **BMP Training.** Employee training shall be provided on the implementation of Best Management Practices (BMPs) in order to prevent or reduce the discharge of pollutants to storm water from buildings and ground maintenance. The training shall include using good housekeeping practices, preventive maintenance and spill prevention and control at outdoor loading/ unloading areas in order to keep debris from entering the storm water collection system.
- D. **Public Works Requirements Prior to Building Permit Issuance.** The Owner shall submit the following, or evidence of completion of the following to the Public Works Department for review and approval, prior to the issuance of a Building Permit for the project.
1. **Dedication(s).** Easements as shown on the approved El Encanto Revised Master Plan and described as follows, subject to approval of the easement scope and location by the Public Works Department and the Building and Safety Division:

A twenty-foot (20') wide easement for City water main purposes as required for relocation of existing water main as shown on the approved El Encanto Revised Master Plan.
 2. **Hydrology Report.** The Owner shall submit a final hydrology report prepared by a registered civil engineer or licensed architect demonstrating that the new development will not increase runoff amounts above existing conditions for a 25-year storm event. Any increase in runoff shall be retained on-site.
 3. **Mission Ridge Public Improvements.** The Owner shall submit C-1 public improvement plans for construction of improvements along the property frontage on Mission Ridge Road and at the intersection of Alvarado Place. The C-1 plans shall be submitted separately from plans submitted for a Building Permit and shall be prepared by a licensed civil engineer. As determined by the Public Works Department, the improvements shall include the following: remove existing hedges from public right-of-way along Mission Ridge Road, abandonment and/or removal of the portion of the existing City owned water main currently traversing the subject property, and construction of new City water main aligned within the Mission Ridge Road rights-of-way eventually crossing the northeastern portion of the property through a twenty-foot (20')

water main utility easement offered to the City and connecting to the existing City owned water main in Mira Vista Avenue, construct driveway apron as shown on approved plans with adequate site visibility, installation of approximately five hundred fifty linear feet (550') of new City standard curb and gutter along entire property frontage including intersection corner of Mission Ridge Road and Alvarado Place, crack seal to the centerline of the street along entire subject property frontage and slurry seal a minimum of 20 feet beyond the limit of all trenching, connection to City sewer main, public drainage improvements with supporting drainage calculations, preserve and/or reset survey monuments and contractor stamps, supply and install directional/regulatory traffic control signs per the 2006 MUTCD w/CA supplements, storm drain stenciling where applicable, and provide adequate positive drainage from site. Streetlights shall be installed in accordance with the City Streetlight Design Guidelines as determined by the City Engineer. Any work in the public right-of-way requires a Public Works Permit.

4. **Lasuen Road Public Improvements.** The Owner shall submit C-1 public improvement plans for construction of improvements along the property frontage on Lasuen Road. As determined by the Public Works Department, the improvements shall include the following: curb and gutter where damaged, crack seal to the centerline of the street along entire subject property frontage and slurry seal a minimum of 20 feet beyond the limit of all trenching, connection to City water and sewer mains, public drainage improvements with supporting drainage calculations and/or hydrology report for installation of drainage pipe, curb drain outlets, detention, erosion protection, preserve and/or reset survey monuments and contractor stamps, supply and install directional/regulatory traffic control signs per the 2006 MUTCD w/CA supplements, provide storm drain stenciling, and provide adequate positive drainage from site. Streetlights shall be installed in accordance with the City Streetlight Design Guidelines as determined by the City Engineer. Any work in the public right-of-way requires a Public Works Permit.
5. **Alvarado Place Public Improvements.** The Owner shall submit C-1 public improvement plans for construction of improvements along the property frontage on Alvarado Place and at the intersection of Alvarado Place and Lasuen Road. The C-1 plans shall be submitted separately from plans submitted for a Building Permit and shall be prepared by a licensed civil engineer. As determined by the Public Works Department, the improvements shall include the following: remove existing hedges from public right-of-way along Alvarado Place, construct driveway apron as shown on approved plans, curb and gutter where damaged, crack seal to the centerline of the street along entire subject property frontage and slurry seal a minimum of 20 feet beyond the limit of all trenching, connection to City water and sewer mains, public drainage improvements with supporting drainage, preserve and/or reset survey monuments and contractor stamps, supply and install directional/regulatory

traffic control signs per the 2006 MUTCD w/CA supplements, storm drain stenciling, provide adequate positive drainage from site. Streetlights shall be installed in accordance with the City Streetlight Design Guidelines as determined by the City Engineer. Any work in the public right-of-way requires a Public Works Permit.

6. **Agreement to Construct and Install Improvements.** The Owner shall submit an executed Agreement to Construct and Install Improvements, prepared by the Engineering Division, an Engineer's Estimate, signed and stamped by a registered civil engineer, and securities for construction of improvements prior to execution of the agreement.
7. **Encroachment Permits.** Any encroachment or other permits from the City or other jurisdictions (State, Flood Control, County, etc.) for the construction of improvements (including any required appurtenances) within their rights of way (easement).
8. **Removal or Relocation of Public Facilities.** Removal or relocation of any public utilities or structures must be performed by the Owner or by the person or persons having ownership or control thereof.
9. **Approved Public Improvement Plans and Concurrent Issuance of Public Works Permit.** Upon acceptance of the approved public improvement plans, a Public Works permit shall be issued concurrently with a Building permit.
10. **Drainage and Water Quality.** Final project plans for grading, drainage, stormwater facilities, and project development shall be subject to review and approval by City Building Division and Public Works Department per City regulations prior to issuance of any building or public works permits. At a minimum, any increase in stormwater runoff (based on a 25-year storm event) shall be retained on-site, and the project shall be designed to capture and treat the calculated amount of runoff from the project site for a 1 inch storm event, over a 24-hour period. Sufficient engineered design and adequate mitigation measures shall be employed to ensure that no significant construction-related or long-term effects from increased runoff, erosion and sedimentation, urban water quality pollutants, or groundwater pollutants would result from the project. (W-1)
11. **Erosion Control/Water Quality Protection Plan.** Prior to the issuance of a demolition permit for the proposed project, the applicant or project developer shall prepare an erosion control plan that is consistent with the requirements outlined in the *Procedures for the Control of Runoff into Storm Drains and Watercourses* and the Building and Safety Division *Erosion/Sedimentation Control Policy* (2003). The erosion control/water quality protection plan shall specify how the required water quality protection procedures are to be designed, implemented and maintained over the duration of the development project. A copy of the plan shall be submitted to the Community Development and Public

Works Departments for review and approval, and a copy of the approved plan shall be kept at the project site. At minimum, the erosion control/water quality protection plan prepared for the proposed project shall address the implementation, installation and/or maintenance of each of the following water resource protection strategies:

- Paving and Grinding
 - Sandbag Barriers
 - Spill Prevention/Control
 - Solid Waste Management
 - Storm Drain Inlet Protection
 - Stabilize Site Entrances and Exits
 - Illicit Connections and Illegal Discharges
 - Water Conservation
 - Stockpile Management
 - Liquid Wastes
 - Street Sweeping and Vacuuming
 - Concrete Waste Management
 - Sanitary/Septic Waste Management
 - Vehicle and Equipment Maintenance
 - Vehicle and Equipment Cleaning
 - Vehicle and Equipment Fueling (W-2)
12. **Minimization of Storm Water Pollutants of Concern.** The Owner shall submit project plans incorporating long-term BMPs to minimize storm water pollutants of concern to the extent feasible, and obtain approval from Public Works Engineering. The approved facilities shall be maintained in working order for the life of the project. (W-3)
13. **Storm Drain System Stenciling and Signage.** Within the project area, the applicant shall implement stenciling of all storm drain inlets and catch basins, and posting of signs at all public access points along channels and creeks, with language in English and Spanish and graphic icons prohibiting dumping, per approved plans. The applicant shall submit project plans to the satisfaction of Public Works Engineering that identify storm drain inlet locations throughout the project area, and specified wording and design treatment for stenciling of storm drain inlets and signage for public access points that prohibit dumping. The owners association shall maintain ongoing legibility of the stenciling and

signage for the life of the project, and shall inspect at least annually and submit report to City annually. (W-4)

14. **Passive Drainage Techniques.** Passive/nature water treatment design techniques such as bioswales, infiltration basins, etc, shall be incorporated into open space areas, groundcover, and courtyards to treat the small, frequent storm events that impact water quality in Santa Barbara (a 1 inch storm event, over a 24-hour period). These types of passive/natural capture and filtration design options shall be implemented as opposed to mechanical/underground options, which pose maintenance problems and often times, do not treat runoff as efficiently. These measures shall be incorporated into the drainage plan and shall be subject to review and approval by City Building Division and Public Works Department per City regulations prior to issuance of any building or public works permits. (W-5)
15. **Solid Waste Management Plan.** The Applicant shall develop and implement a Solid Waste Management Plan to reduce waste generated by construction and demolition activities. Consistent with City of Santa Barbara ordinances and in order to achieve the waste diversion goals required by state law, the Contractor may choose to separate waste and recyclables on-site or use a combination of source separation and a construction and demolition (C&D) sorting facility. The Solid Waste Management Plan shall include the following:
 - a. Contact information: The name and contact information of who will be responsible for implementing the Solid Waste Management Plan.
 - b. Waste assessment: A brief description of the proposed project wastes to be generated, including types and estimated quantities during the construction phase of this project. A minimum of 90% of demolition and construction materials shall be recycled or reused.
 - c. Recycling and waste collection areas: Waste sorting and/or collection and/or recycling areas shall be clearly indicated on the project plans and approved by the City Solid Waste Specialist.
 - d. Transportation: A description of the means of transportation of recyclable materials and waste (whether materials will be site-separated and self-hauled to designated centers, or whether mixed materials will be collected by a waste hauler and removed from the site to be processed) and destination of materials.
 - e. Landfill information: The name of the landfill(s) where trash will be disposed of and a projected amount of material that will be landfilled.
 - f. Meetings: A description of meetings to be held between applicant and contractor to ensure compliance with the site Solid Waste Management Plan.

- g. Alternatives to landfilling: A list of each material proposed to be salvaged, reused, or recycled during the course of the Project.
- h. Contingency Plan: An alternate location to recycle and/or stockpile C&D in the event of local recycling facilities becoming unable to accept material (for example: all local recycling facilities reaching the maximum tons per day due to a time period of unusually large volume).
- i. Implementation and Documentation of Solid Waste Management Plan:
 - (1) Manager: The Permit Applicant or Contractor shall designate an on-site party (or parties) responsible for instructing workers and overseeing and documenting results of the Solid Waste Management Plan for the Project Site Foreman. The contact will notify the Public Works Department immediately should any deviance from the Solid Waste Management Plan be necessary.
 - (2) Distribution: The Contractor shall distribute copies of the Solid Waste Management Plan to the Job Site Foremen, impacted subcontractors, and the Architect.
 - (3) Instruction: The Permit Applicant or Contractor shall provide on-site instruction of appropriate separation, handling, and recycling, salvage, reuse, and return methods to be used by all parties at the appropriate stages of project development.
 - (4) Separation and/or Collection areas: The Permit Applicant or Contractor shall ensure that the approved recycling and waste collection areas are designated on site.
 - (5) Construction of Recycling and Waste container facilities: Inspection shall be made by Public Works to ensure the appropriate storage facilities are created in accordance with AB 2176 (2003-04 Legislative Session), California State Public Resources Code 42911 and City of Santa Barbara Zoning Ordinances.
 - (6) Hazardous wastes: Hazardous wastes shall be separated, stored, and disposed of according to federal, state and local regulations.
 - (7) Documentation: The Contractor shall submit evidence at each inspection to show that recycling and/or reuse goals are being met and a Summary of Waste Generated by the Project shall be submitted on a monthly basis. Failure to submit this information shall be grounds for a stop work order. The Summary shall be submitted on a form acceptable to the Public Works Department and shall contain the following information:

- (a) Disposal information: amount (in tons or cubic yards) of material landfilled; identity of the landfill; total amount of tipping fees paid at the landfill; weight tickets, manifests, receipts, and invoices (attach copies).
- (b) Recycling information: amount and type of material (in tons or cubic yards); receiving party; manifests, weight tickets, receipts, and invoices (attach copies).
- (c) Reuse and salvage information: list of items salvaged for reuse on project or campus (if any); amount (in tons or cubic yards); receiving party or storage location.

- (8) Contingency Plan: The Permit Applicant or Contractor shall detail the location and recycling of stockpiled material in the event of the implementation of a Contingency Plan. (PS-1)

16. **Traffic Control Plan.** A traffic control plan shall be submitted, as specified in the City of Santa Barbara Traffic Control Guidelines. Traffic Control Plans are subject to approval by the Public Works Director/Transportation Manager.

E. **Community Development Requirements with Building or Public Works Permit Application.** The following shall be submitted with the application for any Building or Public Works permit and finalized prior to Building or Public Works Permit issuance:

- 1. **Transfer of Existing Development Rights.** The documents transferring the development rights from the sending site to the receiving site shall be submitted to the Community Development Director for review and approval prior to execution. Once the documents effecting the transfer of rights has been executed and recorded, evidence of the recording shall be submitted to the Community Development Department.
- 2. **Eucalyptus Tree Preservation.** The eucalyptus trees, located along Alvarado Place in the northwest portion of the site, and identified as historically significant, shall be retained unless a City-approved arborist determines that their preservation is not feasible or recommended due to their existing condition relative to life expectancy, disease, or safety reasons. The final design shall, to the maximum extent feasible, preserve the eucalyptus trees located along Alvarado Place. Prior to building permit issuance, final plans shall be accompanied by a City-approved arborist report stating that the design will not adversely impact the eucalyptus trees and shall be subject to the review and approval of the City's Environmental Analyst. If any of the trees are to be removed pursuant to the arborist determination, the trees shall be replaced with skyline trees. (CR-2)
- 3. **APCD Form Required.** Prior to demolition, an "Asbestos Demolition/Renovation Notification" form must be delivered to APCD.

4. **Mitigation Monitoring and Reporting Requirement.** Owner shall implement the Mitigation Monitoring and Reporting Program (MMRP) for the project's mitigation measures, as stated in the Mitigated Negative Declaration for the project.
5. **Project Environmental Coordinator Required.** Submit to the Planning Division a contract with a qualified representative for the Owner, subject to approval of the contract and the representative by the Planning Division, to act as the Project Environmental Coordinator (PEC). The PEC shall be responsible for assuring full compliance with the provisions of the Mitigation Monitoring and Reporting Program (MMRP) and Conditions of Approval to the City. The contract shall include the following, at a minimum:
 - a. The frequency and/or schedule of the monitoring of the mitigation measures.
 - b. A method for monitoring the mitigation measures.
 - c. A list of reporting procedures, including the responsible party, and frequency.
 - d. A list of other monitors to be hired, if applicable, and their qualifications.
 - e. Submittal of monthly reports during demolition, excavation, grading and footing installation and monthly reports on all other construction activity regarding MMRP and condition compliance by the PEC to the Community Development Department/case planner.
 - f. The PEC shall have authority over all other monitors/specialists, the contractor, and all construction personnel for those actions that relate to the items listed in the MMRP and conditions of approval, including the authority to stop work, if necessary, to achieve compliance with mitigation measures.
6. **Construction Notice.** At least 20 days prior to commencement of construction, the contractor shall provide written notice to all property owners and residents within 300 feet of the project area. The notice shall contain a description of the proposed project, a construction schedule including days and hours of construction, the name and phone number of the Project Environmental Coordinator (PEC) who can answer questions, and provide additional information or address problems that may arise during construction. A 24-hour construction hot line shall be provided. Informational signs with the PEC's name and telephone number shall also be posted at the site. (N-1)
7. **Contractor and Subcontractor Notification.** The Owner shall notify in writing all contractors and subcontractors of the site rules, restrictions, and Conditions of Approval. Submit a copy of the notice to the Planning Division.

8. **Park Commission Tree Removal Approval.** Submit to the Planning Division verification of approval from the Park Commission for the removal of any trees within the front setback.
 9. **Letter of Commitment for Pre-Construction Conference.** The Owner shall submit to the Planning Division a letter of commitment that states that, prior to disturbing any part of the project site for any reason and after the Building permit has been issued, the General Contractor shall schedule a conference to review site conditions, construction schedule, construction conditions, and environmental monitoring requirements. The conference shall include representatives from the Public Works Department Engineering and Transportation Divisions, the assigned Building Inspector, the Planning Division, the Property Owner, the Architect, the Arborist, the Landscape Architect, the Project Engineer, the Project Environmental Coordinator, the Contractor and each subcontractor.
 10. **Air Pollution Control District Permits.** APCD permits are required for individual (or grouping) of boilers or large water heaters and for any electrical generator driven by a diesel engine rated at 50 bhp or greater.
- F. **Building Permit Plan Requirements.** The following requirements/notes shall be incorporated into the construction plans submitted to the Building and Safety Division for Building permits.
1. **Design Review Requirements.** Plans shall show all design, landscape and tree protection elements, as approved by the Historic Landmarks Commission.
 2. **Grading Plan Requirement for Archaeological Resources.** The following information shall be printed on the grading plans:

If archaeological resources are encountered or suspected, work shall be halted or redirected immediately and the Planning Division shall be notified. The archaeologist shall assess the nature, extent, and significance of any discoveries and develop appropriate management recommendations for archaeological resource treatment, which may include, but are not limited to, redirection of grading and/or excavation activities, consultation and/or monitoring with a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List, etc.

If the discovery consists of possible human remains, the Santa Barbara County Coroner shall be contacted immediately. If the Coroner determines that the remains are Native American, the Coroner shall contact the California Native American Heritage Commission. A Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Planning Division grants authorization.

If the discovery consists of possible prehistoric or Native American artifacts or materials, a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Planning Division grants authorization.

3. **Post-Construction Erosion Control and Water Quality Plan.** Provide an engineered drainage plan that addresses the existing drainage patterns and leads towards improvement of the quality and rate of water run-off conditions from the site by capturing, infiltrating, and/or treating drainage and preventing erosion. The Owner shall employ passive water quality methods, such as bioswales, catch basins, or storm drain on the Real Property, or other measures specified in the Erosion Control Plan, to intercept all sediment and other potential pollutants (including, but not limited to, hydrocarbons, fecal bacteria, herbicides, fertilizers, etc.) from the parking lot areas and other improved, hard-surfaced areas prior to discharge into the public storm drain system, including any creeks. All proposed methods shall be reviewed and approved by the Public Works Department and the Community Development Department. Maintenance of these facilities shall be provided by the Owner, as outlined in Condition C.5 above, which shall include the regular sweeping and/or vacuuming of parking areas and drainage and storm water methods maintenance program.
4. **Trash Enclosure Provision.** A trash enclosure with adequate area for recycling containers (an area that allows for a minimum of 50 percent of the total capacity for recycling containers) shall be provided on the Real Property and screened from view from surrounding properties and the street.

Dumpsters and containers with a capacity of 1.5 cubic yards or more shall not be placed within five (5) feet of combustible walls, openings, or roofs, unless protected with fire sprinklers.
5. **Recyclable Material Use and Collection.** Hotel and restaurant operators shall provide sufficient and appropriate recycling receptacles in each room. Recyclable material and green waste collection and pick-up areas shall be provided on-site for the hotel and restaurant operations. A minimum of 50 percent of the area devoted to holding trash for the project shall be used for recycling purposes.
6. **Private Driveway Improvements.** The proposed private driveway shall be constructed to the standards provided in the Subdivision Design and Improvement Standards and as approved by the Public Works Director.
7. **Conditions on Plans/Signatures.** The final Planning Commission Resolution shall be provided on a full size drawing sheet as part of the drawing sets. Each condition shall have a sheet and/or note reference to verify condition compliance. If the condition relates to a document submittal, indicate the status of the submittal (e.g., Archaeologist contract submitted to Community

Development Department for review). A statement shall also be placed on the above sheet as follows: The undersigned have read and understand the above conditions, and agree to abide by any and all conditions which is their usual and customary responsibility to perform, and which are within their authority to perform.

Signed:

_____		_____
Property Owner		Date

Contractor	Date	License No.

Architect	Date	License No.

Engineer	Date	License No.

G. **Construction Implementation Requirements.** All of these construction requirements shall be carried out in the field by the Owner and/or Contractor for the duration of the project construction.

1. **Construction Dust Control – Minimize Disturbed Area/Speed.** Minimize amount of disturbed area and reduce on site vehicle speeds to 15 miles per hour or less. (AQ-1)
2. **Construction Dust Control - Watering.** During site grading and transportation of fill materials, regular water sprinkling shall occur using reclaimed water whenever the Public Works Director determines that it is reasonably available. During clearing, grading, earth moving or excavation, sufficient quantities of water, through use of either water trucks or sprinkler systems, shall be applied to prevent dust from leaving the site. Each day, after construction activities cease, the entire area of disturbed soil shall be sufficiently moistened to create a crust.

Throughout construction, water trucks or sprinkler systems shall also be used to keep all areas of vehicle movement damp enough to prevent dust raised from leaving the site. At a minimum, this will include wetting down such areas in the late morning and after work is completed for the day. Increased watering frequency will be required whenever the wind speed exceeds 15 mph. (AQ-2)
3. **Construction Dust Control – Tarping.** Trucks transporting fill material to and from the site shall be covered from the point of origin. (AQ-3)
4. **Construction Dust Control – Gravel Pads.** Gravel pads shall be installed at all access points to prevent tracking of mud on to public roads. (AQ-4)
5. **Construction Dust Control – Stockpiling.** If importation, exportation and stockpiling of fill material are involved, soil stockpiled for more than two days

shall be covered, kept moist, or treated with soil binders to prevent dust generation. (AQ-5)

6. **Construction Dust Control – Disturbed Area Treatment.** After clearing, grading, earth moving or excavation is completed, the entire area of disturbed soil shall be treated to prevent wind pickup of soil. This may be accomplished by:
 - a. Seeding and watering until grass cover is grown;
 - b. Spreading soil binders;
 - c. Sufficiently wetting the area down to form a crust on the surface with repeated soakings as necessary to maintain the crust and prevent dust pickup by the wind;
 - d. Other methods approved in advance by the Air Pollution Control District. (AQ-6)
7. **Construction Dust Control – Paving.** All roadways, driveways, sidewalks, etc., shall be paved as soon as possible. Additionally, building pads shall be laid as soon as possible after grading unless seeding or soil binders are used. (AQ-7)
8. **Construction Dust Control – PEC.** The contractor or builder shall designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust offsite. Their duties shall include holiday and weekend periods when construction work may not be in progress. The name and telephone number of such persons shall be provided to the Air Pollution Control District upon request. (AQ-8)
9. **Portable Construction Equipment.** All portable diesel-powered construction equipment shall be registered with the state's portable equipment registration program OR shall obtain an APCD permit. (AQ-9)
10. **Fleet Owners.** Fleet owners are subject to sections 2449, 2449.2, and 2449.3 in Title 13, Article 4.8, Chapter 9, of the California Code of regulations (CCR) to reduce diesel particulate matter (and criteria pollutant emissions from in-use off-road diesel-fueled vehicles.

See <http://www.arb.ca.gov/regact/2007/ordiesl07/frooal.pdf>. (AQ-10)
11. **Engine Size.** The engine size of construction equipment shall be the minimum practical size. (AQ-11)
12. **Equipment Numbers.** The number of construction equipment operating simultaneously shall be minimized through efficient management practices to ensure that the smallest practical number is operating at any one time. (AQ-12)
13. **Equipment maintenance.** All construction equipment shall be maintained in tune per the manufacturer's specifications. (AQ-13)

14. **Catalytic Converters.** Catalytic converters shall be installed on gasoline-powered equipment, if feasible. (AQ-14)
15. **Diesel Construction Equipment.** Diesel construction equipment meeting the California Air Resources Board (CARB) Tier 1 emission standards for off-road heavy-duty diesel engines shall be used. Equipment meeting CARB Tier 2 or higher emission standards should be used to the maximum extent feasible. (AQ-15)
16. **Engine Timing and Diesel Catalytic Converters.** Other diesel construction equipment, which does not meet CARB standards, shall be equipped with two to four degree engine timing retard or pre-combustion chamber engines. Diesel catalytic converters, diesel oxidation catalysts and diesel particulate filters as certified and/or verified by EPA or California shall be installed, if available. (AQ-16)
17. **Diesel Replacements.** Diesel powered equipment shall be replaced by electric equipment whenever feasible. (AQ-17)
18. **Idling Limitation.** Idling of heavy-duty diesel trucks during loading and unloading shall be prohibited; electric auxiliary power units shall be used whenever possible. (AQ-18)
19. **Demolition/Construction Materials Recycling.** Recycling and/or reuse of demolition/construction materials shall be carried out in accordance with the Solid Waste Management Plan developed pursuant to Condition D.15.
20. **Construction-Related Truck Trips.** Construction-related truck trips shall not be scheduled during peak hours (7:00 a.m. to 9:00 a.m. and 4:00 p.m. to 6:00 p.m.). The purpose of this condition is to help reduce truck traffic on adjacent streets and roadways.
21. **Construction-Related Traffic Routes.** The route of construction-related traffic shall be established to minimize trips through surrounding residential neighborhoods, subject to approval by the Transportation Manager.
22. **Traffic Control Plan.** All elements of the approved Traffic Control Plan shall be carried out by the Contractor.
23. **Construction Hours.** Noise-generating construction activities (which may include preparation for construction work) shall be permitted weekdays between the hours of 8:00 a.m. and 5:00 p.m., excluding holidays observed by the City as legal holidays: New Year's Day (January 1st); Martin Luther King Jr.'s Birthday (3rd Monday in January); President's Day (3rd Monday in February); Memorial Day (Last Monday in May); Independence Day (July 4th); Labor Day (1st Monday in September); Thanksgiving Day (4th Thursday in November); Day Following Thanksgiving Day (Friday following Thanksgiving); Christmas Day (December 25th). *When a holiday falls on a Saturday or Sunday, the preceding Friday or following Monday respectively shall be observed as a legal holiday.

Occasional night work may be approved for the hours between 5 p.m. and 8 a.m. on weekdays by the Chief of Building and Zoning per Section 9.13.015 of the Municipal Code. In the event of such night work approval, the applicant shall provide written notice to all property owners and residents within 300 feet of the project property boundary and the City Planning and Building Divisions at least 48 hours prior to commencement of any. Night work shall not be permitted on weekends and holidays. (N-2)

24. **Construction Parking/Storage/Staging.** Construction parking and storage shall be provided as follows:
 - a. During construction, free parking spaces for construction workers and construction shall be provided on-site or off-site in a location subject to the approval of the Public Works Director. Construction workers are prohibited from parking within the public right-of-way, except as outlined in subparagraph b. below.
 - b. Parking in the public right of way is permitted as posted by Municipal Code, as reasonably allowed for in the 2006 Greenbook (or latest reference), and with a Public Works permit in restricted parking zones. No more than three (3) individual parking permits without extensions may be issued for the life of the project.
 - c. Storage or staging of construction materials and equipment within the public right-of-way shall not be permitted, unless approved by the Transportation Manager.
25. **Street Sweeping.** The property frontage and adjacent property frontages, and parking and staging areas at the construction site shall be swept daily to decrease sediment transport to the public storm drain system and dust.
26. **Construction Best Management Practices (BMPs).** Construction activities shall address water quality through the use of BMPs, as approved by the Building and Safety Division.
27. **Mitigation Monitoring Compliance Reports.** The PEC shall submit monthly reports during demolition, excavation, grading and footing installation and monthly reports on all other construction activity regarding MMRP compliance to the Community Development Department.
28. **Construction Contact Sign. Immediately after Building permit issuance, signage** shall be posted at the points of entry to the site that list the contractor(s) and Project Environmental Coordinator's (PEC) name, contractor(s) and PEC's telephone number(s), work hours, site rules, and construction-related conditions, to assist Building Inspectors and Police Officers in the enforcement of the conditions of approval. The construction contact phone number shall include an option to contact a person instead of a machine in case of emergency. The font size shall be a minimum of 0.5 inches in height. Said sign shall not exceed six

feet in height from the ground if it is free-standing or placed on a fence. It shall not exceed 24 square feet if in a multi-family or commercial zone or six square feet if in a single family zone.

29. **Construction Equipment Sound Control.** All construction equipment, including trucks, shall be professionally maintained and fitted with standard manufacturers' muffler and silencing devices. (N-3)
30. **Sound Barriers.** As determined necessary by the Planning Division, the project shall employ sound control devices and techniques such as noise shields and blankets during the construction period to reduce the level of noise to surrounding residents and businesses. (N-4)
31. **Location of Equipment. Siting of cranes, hoists, or other semi-stationary heavy equipment** shall be as far away noise-sensitive uses as practical, consistent with construction requirements. (N-5)
32. **Electrical Powered Equipment.** Electrical powered equipment shall be used instead of equipment driven by internal combustion engines where feasible. (N-6)
33. **No Idling of Equipment.** Equipment shall not be left idling for long periods; instead, it should be switched off. (N-7)
34. **Location of Delivery Area.** An area shall be designated for delivery of materials and equipment to site. This area shall be located as far from residential properties as is practical, consistent with construction requirements. This area shall be protected by a temporary barrier blocking the line of sight from the source to any operable residential window. (N-8)
35. **Graffiti Abatement Required.** Owner and Contractor shall be responsible for removal of all graffiti as quickly as possible. Graffiti not removed within 24 hours of notice by the Building and Safety Division may result in a Stop Work order being issued, or may be removed by the City, at the Owner's expense, as provided in SBMC Chapter 9.66.
36. **Unanticipated Archaeological Resources Contractor Notification.** Prior to the start of any vegetation or paving removal, demolition, trenching or grading, contractors and construction personnel shall be alerted to the possibility of uncovering unanticipated subsurface archaeological features or artifacts associated with past human occupation of the parcel. If such archaeological resources are encountered or suspected, work shall be halted immediately, the City Environmental Analyst shall be notified and the applicant shall retain an archaeologist from the most current City Qualified Archaeologists List. The latter shall be employed to assess the nature, extent and significance of any discoveries and to develop appropriate management recommendations for archaeological resource treatment, which may include, but are not limited to, redirection of grading and/or excavation activities, consultation and/or

monitoring with a Barbareño Chumash representative from the most current City qualified Barbareño Chumash Site Monitors List, etc.

If the discovery consists of possible human remains, the Santa Barbara County Coroner shall be contacted immediately. If the Coroner determines that the remains are Native American, the Coroner shall contact the California Native American Heritage Commission. A Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

If the discovery consists of possible prehistoric or Native American artifacts or materials, a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

- H. **Prior to Certificate of Occupancy.** Prior to issuance of the Certificate of Occupancy, the Owner of the Real Property shall complete the following:
1. **Repair Damaged Public Improvements.** Repair any damaged public improvements (curbs, gutters, sidewalks, roadways, etc.) subject to the review and approval of the Public Works Department per SBMC §22.60.090. Where tree roots are the cause of the damage, the roots shall be pruned under the direction of a qualified arborist.
 2. **Complete Public Improvements.** Public improvements, as shown in the improvement/building plans, including utility service undergrounding and installation of street trees.
 3. **Cross-Connection Inspection.** The Owner shall request a cross connection inspection by the Public Works Water Reclamation/Cross Connection Specialist.
 4. **Fire Hydrant Replacement.** Replace existing nonconforming type fire hydrant(s) with commercial-type hydrant(s) described in Standard Detail 6-003.1 Paragraph 2 of the Public Works Department Standard Details.
 5. **Noise Measurements.** Submit a final report from a licensed acoustical engineer, verifying that noise levels are within acceptable levels as specified in the Noise Element. In the event the noise is not mitigated to acceptable levels, additional mitigation measures shall be recommended by the noise specialist and implemented subject to the review and approval of the Building and Safety Division and the Historic Landmarks Commission (HLC).
 6. **New Construction Photographs.** Photographs of the new construction, taken from the same locations as those taken of the story poles prior to project approval, shall be taken, attached to 8 ½ x 11” board and submitted to the Planning Division.

7. **Mitigation Monitoring Report.** Submit a final construction report for mitigation monitoring.
- I. **Litigation Indemnification Agreement.** In the event the Planning Commission approval of the Project is appealed to the City Council, Applicant/Owner hereby agrees to defend the City, its officers, employees, agents, consultants and independent contractors ("City's Agents") from any third party legal challenge to the City Council's denial of the appeal and approval of the Project, including, but not limited to, challenges filed pursuant to the California Environmental Quality Act (collectively "Claims"). Applicant/Owner further agrees to indemnify and hold harmless the City and the City's Agents from any award of attorney fees or court costs made in connection with any Claim.

Applicant/Owner shall execute a written agreement, in a form approved by the City Attorney, evidencing the foregoing commitments of defense and indemnification within thirty (30) days of the City Council denial of the appeal and approval of the Project. These commitments of defense and indemnification are material conditions of the approval of the Project. If Applicant/Owner fails to execute the required defense and indemnification agreement within the time allotted, the Project approval shall become null and void absent subsequent acceptance of the agreement by the City, which acceptance shall be within the City's sole and absolute discretion. Nothing contained in this condition shall prevent the City or the City's Agents from independently defending any Claim. If the City or the City's Agents decide to independently defend a Claim, the City and the City's Agents shall bear their own attorney fees, expenses, and costs of that independent defense.

NOTICE OF APPROVAL TIME LIMITS:

The approval, per Santa Barbara Municipal Code §28.87.350, shall expire four (4) years from the date of approval unless:

1. A building or grading permit for the work authorized by the development plan is issued prior to the expiration date of the approval.
2. A time extension is granted by the Staff Hearing Officer for one (1) year prior to the expiration date of the approval, only if it is found that there is due diligence to implement and complete the proposed project. No more than one (1) time extension may be granted.

This motion was passed and adopted on the 12th day of February, 2009, by the Planning Commission of the city of Santa Barbara, by the following vote:

AYES: 6 NOES: 1 (Lodge) ABSTAIN: 0 ABSENT: 0

PLANNING COMMISSION RESOLUTION NO. 004-09
1900 LASUEN ROAD
FEBRUARY 12, 2009
PAGE 26

I hereby certify that this Resolution correctly reflects the action taken by the city of Santa Barbara Planning Commission at its meeting of the above date.

Gabriela Feliciano
Gabriela Feliciano, Planning Commission Secretary

March 19, 2009
Date

THIS ACTION OF THE PLANNING COMMISSION CAN BE APPEALED TO THE CITY COUNCIL WITHIN TEN (10) DAYS AFTER THE DATE THE ACTION WAS TAKEN BY THE PLANNING COMMISSION.

From: Helena Hill [mailto:helenahill8@yahoo.com]

Sent: Tuesday, April 14, 2009 6:30 PM

To: Alcazar, Brenda

Subject: El Encanto

I support the El Encanto project with the relocation of the Utility Distribution Facility to respect the 30 foot setback along Mission Ridge Road.

Helena Hill, neighbor at 121 Camino Alto, SB 93103



CITIZENS PLANNING ASSOCIATION OF SANTA BARBARA COUNTY, INC.
916 Anacapa Street, Santa Barbara, CA 93101
phone (805) 966-3979 • toll free (877) 966-3979 • fax (805) 966-3970
www.citizensplanning.org • info@citizensplanning.org

21 April 2009

Mayor Blum & Council Members
Santa Barbara City Council
Santa Barbara, CA

Sent via email to: *Marty Blum* <mblum@santabarbaraca.gov>
Iya Falcone <ifalcone@santabarbaraca.gov>
Dale Francisco <dfrancisco@santabarbaraca.gov>
Roger Horton <rhorton@santabarbaraca.gov>
Grant House <ghouse@santabarbaraca.gov>
Helene Schneider <hschneider@santabarbaraca.gov>
Das Williams <daswilliams@santabarbaraca.gov>

RE: El Encanto Hotel (1900 Lasuen Road)

Dear Mayor Blum and Council Members,

The Citizens Planning Association's (CPA) South County Land Use Committee has monitored and participated in the City's review of the proposed revisions to the 2004 Master Plan for the El Encanto Hotel. We have been uncomfortable with the way that the 2004 approval has been revised through a protracted series of piecemealed changes. This piecemealing has compromised the integrity of the land-use planning and permitting process and led to a series of progressive changes to the site that have clearly become cumulatively considerable. We question whether the proposed project is appropriate for the site, whether the City has adequately considered land-use incompatibilities with surrounding land uses, whether the historic resources have suffered "death by a thousand cuts" and whether the proposed changes, considered in conjunction with other piecemealed approvals over the past three years, will cause the visual and aesthetic character of this important site to be degraded or lost.

We believe the City should ensure these issues are fully evaluated and resolved through the preparation of an environmental impact report (EIR) on this project that examines both the immediate project impacts and the cumulative effects of the past piecemealing that has been allowed on this site.

The applicant proposes to use 10,000 square feet of TDR credits transferred from an industrial site on Yanonali Street to enlarge facilities on the El Encanto Hotel site. We join the concerns stated by members of the Planning Commission questioning whether it is appropriate to transfer development credits from an industrial area for purposes of significantly expanding development on a resort property that is required to ensure the least possible conflict with surrounding residential land uses.

We have further grave concerns over the proposal to transfer an additional 7,000 square feet of Measure E entitlements onto the site to further enable intensification of development on the site. Measure E and the City's enabling ordinance places limits on the size of expansions that may be allocated. Specifically, the applicant proposes to draw from two independent sources of Measure E credits for a total of 7,021 square feet of additional development, when the ordinance states the maximum combined square footage that can be obtained is 3,000 square feet.

While we recognize that the City has a strong interest in the resumption of this business that is an important source of revenue, we note that the owners of El Encanto Hotel have announced a decision to divert construction funding away from the project due to the financial downturn. While unfortunate, we believe that this hiatus provides an opportunity to enhance the City's land-use planning process and address the issues identified above.

We ask that your Council reject the applicant's proposal and give direction that the applicant should work in good faith with the neighbors, CPA and others interested in this important site to ensure that an appropriate site plan and project description can be achieved. At that point a suitable environmental review document can be prepared.

Short of that, Council should direct the preparation of an EIR addressing issues of historical resources, visual resources, and land use conflicts, with focus on the cumulative effects of the proposed project in conjunction with prior City approvals for revisions to the 2004 Master Plan on this site.

As proposed, CPA's South County Land Use Committee opposes the revised Master Plan for the reasons stated in the neighbors' appeal.

Thank you for your consideration.

Sincerely,



Naomi Kovacs
Executive Director

CC: Kathleen Kennedy, Associate Planner <kkennedy@santabarbaraca.gov>

Mission Ridge Trust
1940 Mission Ridge Road
Santa Barbara, CA 93103
(805) 965-7613

April 22, 2009

Madam Mayor and Council Members
Santa Barbara City Council
City of Santa Barbara
C/o City Clerk
PO Box 1990
Santa Barbara, CA 93102 - 1990

Re: El Encanto Hotel Revised Master Plan –1900 Lasuen Road
MST 2007-00140

Madam Mayor and Council Members:

This letter is to provide support for the proposed Revised Master Plan for the El Encanto Hotel. We urge you to deny the appeal and permit the El Encanto project to move forward under the terms of the Revised Master Plan.

We are neighbors of the hotel, residing directly across Mission Ridge Road from the Northeastern corner of the El Encanto property. A site plan of the project with our property identified with an "X" is attached as Appendix A. We have been supportive of the renovation work, and look forward to enjoying many aspects of the hotel once it re-opens.

Our Property

Our home was built in 1921. It was designed in 1920 by Santa Barbara's most renowned architect, George Washington Smith in the Spanish Colonial style. Our home is designed and oriented to take advantage of the views of the City of Santa Barbara, Stearns Wharf and the harbor. These views will look directly out over the planned "Mission Village" cottages which are part of the Revised Master Plan.

The location of our home just across the street would not be approved today as portions of it encroach on the front yard setback from Mission Ridge Road. These features in fact increase the home's interaction with Mission Ridge Road and those who use it. We are often exchanging greetings with our neighbors and visitors from our balconies.

Mission Village Cottages

As part of Phase II of the Revised Master Plan, the El Encanto proposes to replace Court Cottages 22, 23 and 24 with Mission Village Cottages of roughly the same area. The Mission Village Cottages will be constructed over a podium style valet parking structure. The Mission Village Cottages proposal is accompanied by a request for a modification to allow the Mission Village Cottages to encroach into the front yard setback along Mission Ridge Road, directly across from our home.

Front Yard Setback Encroachment Should be Allowed

We support the proposed encroachment in the front yard setback along Mission Ridge Road. The existing Court Cottages are lined up in a straight line an even distance from Mission Ridge Road. They represent a substantial encroachment into the front yard setback. The backs of the buildings are flat, contain no articulation and express no architectural or visual interest. They represent a poor example of 1960's or 1970's architecture that do nothing interesting for the street or the neighbors. The previously approved facade remodel for these buildings will do little if anything to improve on this.

The Mission Village Cottages proposed will be below the street level. Setting these buildings on a diagonal to the street as proposed would lead to a vastly improved aesthetic when compared to the linear location of the existing Court Cottages. Designing these in the Spanish Colonial Revival style as shown on the elevations will not only enhances the El Encanto site, it will also enhance the experience of the numerous walkers, joggers, cyclists and drivers along Mission Ridge Road. Appropriate landscaping between the cottages and Mission Ridge Road will further enhance the look and feel of these new cottages.

The well thought out and well designed Mission Village Cottages of the El Encanto would be a vast improvement over the existing situation, notwithstanding that a modification of the setback may be requirement. The existing buildings are poor visually and are sited poorly. They are located well within the front yard setback from Mission Ridge Road. This is a situation where the granting of a modification of the front yard setback to allow the proposed minor encroachments is not only warranted, but also should be encouraged because it will enable a dramatic improvement over the existing situation.

Appeal Issues

The El Encanto project is a wonderful restoration project of what will doubtless be one of Santa Barbara's brightest jewels. It has already been under construction for about two and one half years. The work being done is beautiful. We are, as are many of our neighbors, looking forward to seeing the finished product.

These are not easy times for the hotel business world wide. The El Encanto has not wavered from achieving its "world class" vision for the project. The City needs this project to be finished so that it may attract the number and caliber of visitors likely to come to such a wonderful hotel. They will bring both economic and cultural benefits to the City. Santa Barbara is fortunate to have a company with the vision and resources of Orient Express Hotels, Trains & Cruises to make the enormous commitment to our City expressed in its plans and vision for the El Encanto.

We have attended several Planning Commission meetings to support this project. At a few of them we have heard opposition to the project provided by some of our neighbors and their lawyer. Although we would like to be as agreeable as neighbors generally should, we do not agree with the grounds for the opposition, which constitute the grounds for the appeal. Briefly, our thoughts are as follows:

- The requirement of an EIR is not in the best interest of our neighborhood or Santa Barbara.
 - I have reviewed the Mitigated Negative Declaration (MND), the comments and the response to comments. It appears that all potential environmental impacts have been adequately addressed in the MND.
 - If the appeal is granted and the Project delayed, there will be substantial additional negative environmental impacts to the neighborhood, both in terms of the presence of a stalled construction project, and in terms of the environmental impacts of enduring the effects of continued construction for additional months or years.

- I have read the Acoustic Study with substantial interest.
 - My house is very close to the project and, like my neighbors, I am concerned about noise.
 - Based on the study, it appears that any noise generated by the project will be well within the limits set by the City. As a resident of the City, those limits are acceptable to me.

- The City should encourage an efficient use of the surface of the property. The El Encanto's request for underground "back of house" facilities simply makes sense. There is no reason to consume valuable Riveria hotel grounds with structures devoted to services that are best hidden from view. The grounds should be preserved for gardens, walkways and cottages. The same rationale leads me to support moving some of the surface parking previously approved for the corner of Mission Ridge Road and Alvarado to partially underground parking directly across from our house.

- The El Encanto's reduction of the parking lot at the corner of Mission Ridge Road and Alvarado from 52 spaces on the surface to 43 spaces set down several feet and shielded by buildings will be at least a 17% reduction in whatever noise it may generate over the existing approved plan. This substantial reduction in impacts at that corner will benefit all the neighbors.

- I have watched the story poles with great interest. As the El Encanto is going to build the Mission Village cottages, they will not affect any public or private views adversely. The Mission Ridge Road aesthetics will be substantially improved. As mentioned above, we support the requested modifications for the Mission Village encroachments that are right across the street from our home.

Conclusion

Our home is located directly across from the El Encanto's proposed Mission Village Cottages. The proposed design of the Mission Village Cottages reflects this in a manner that will be a vast improvement over the existing structures. Allowing the Cottages to encroach on the setback as proposed would vastly improve on an existing encroaching situation and would enhance the street presence of the El Encanto along Mission Ridge Road and the experience of the users of that road.

Santa Barbara City Council

April 22, 2009

El Encanto Hotel Revised Master Plan –1900 Lasuen Road - MST 2007-00140

Page 4

The El Encanto Hotel is part of the fiber and character of Santa Barbara and the Riviera neighborhood. The City Council should deny this appeal, approve the Project and permit the owner to have it completed and opened as soon as possible. The City has an opportunity to work with the owner to address all environmental concerns adequately through the MND and allow for the restoration of a wonderful piece of Santa Barbara's history. Every effort should be made to facilitate the improvements. We do not want the El Encanto Hotel project to be forced to become another blight on our City under the guise of environmental protection, similar to projects like the Carrillo Hotel, Las Entradas, Fess Parker's planned hotel and the Miramar. As City leaders you need to find a way to support and facilitate projects which are beneficial to the City and its residents. The Revised El Encanto Hotel Master Plan is just such a project.

Thank you for your consideration.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Gregory Parker".

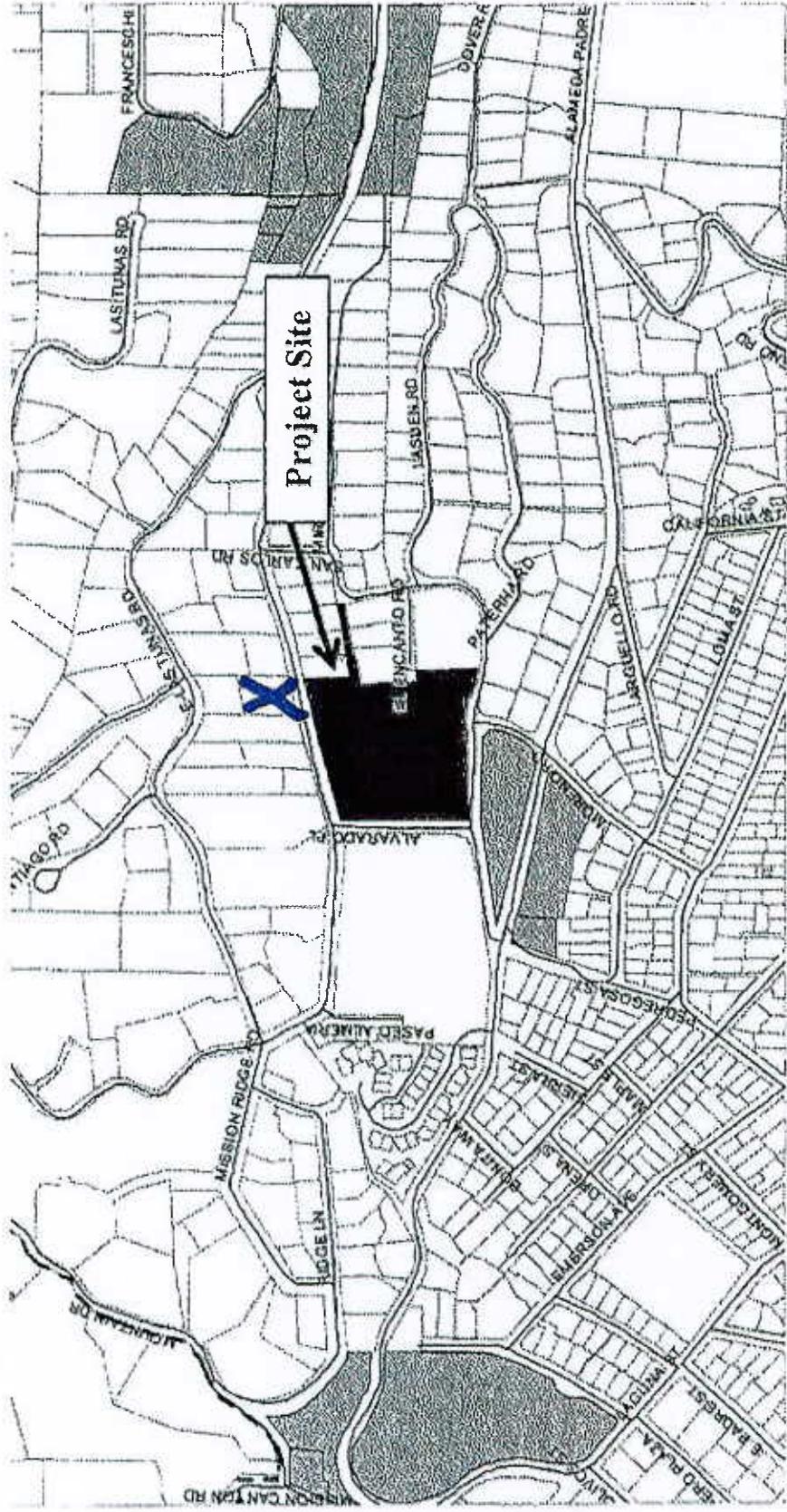
Gregory Parker

For the Mission Ridge Trust

Enclosures

Cc: Kathleen Kennedy

Appendix A



Vicinity Map for 1900 Lasuén Road



United States Court of Appeals
for the Ninth Circuit
125 South Grand Avenue
Pasadena, California 91105

Raymond C. Fisher
United States Circuit Judge

April 23, 2009

Telephone: (626) 228-7110
Facsimile: (626) 228-7452

Ms. Brenda Alcazar
Deputy City Clerk
Santa Barbara City Hall
P.O. Box 1990
Santa Barbara, California 93102

Re: El Encanto Hotel

Dear Ms. Alcazar:

I understand from Mr. Filip Boyen, Vice President of Operations for the Orient-Express Hotels, that the Santa Barbara City Council will be conducting a hearing on the renovation of the El Encanto Hotel next week. Although I am not familiar with the details of the particular issues the Council will be addressing, I wanted to express our general support of the renovation and the manner in which it has been handled to date.

We own the home (at 1808 El Encanto Road) immediately to the east of the Hotel, closest to the so-called "wishing well cottage." As such, we have a strong, vested interest in the successful completion of this project to restore the Hotel to its former elegance, in a high quality, historically and aesthetically sensitive way. We have been pleased with the attention Orient-Express Hotels and particularly its on-site project manager, James Jones of Project Solutions LLC, have given to the aesthetic and comfort concerns we have raised during the course of the construction and rebuilding. We have always had a good neighbor relationship with the El Encanto Hotel and, in the expectation that relationship will continue, we look forward to the Hotel's reopening under the Orient Express banner in the near future.

Please feel free to share this letter with members of the City Council in connection with the upcoming April 28, 2009 hearing.

Sincerely,

Raymond C. Fisher

RCF/cmj

cc: Mr. Filip Boyen
Mr. James Jones



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009
TO: Mayor and Councilmembers
FROM: City Attorney's Office
SUBJECT: Conference With Legal Counsel – Potential Litigation

RECOMMENDATION:

That Council hold a closed session to consider potential litigation pursuant to subsection (c) of section 54956.9 of the Government Code and take appropriate action as needed.

SCHEDULING:

Duration: 15 minutes; anytime

REPORT:

None anticipated

SUBMITTED BY: Stephen P. Wiley, City Attorney

APPROVED BY: City Administrator's Office



Agenda Item No. _____

File Code No. 440.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: April 28, 2009
TO: Mayor and Councilmembers
FROM: City Administrator's Office
SUBJECT: Conference With Labor Negotiator

RECOMMENDATION:

That Council hold a closed session, per Government Code Section 54957.6 to consider instructions to City negotiator, Kristy Schmidt, Employee Relations Manager, regarding negotiations with the General Unit, Firefighters Association, Police Officers Association, and Police Management Association bargaining units.

SCHEDULING:

Duration: 30 minutes; anytime

REPORT:

None anticipated

PREPARED BY: Kristy Schmidt, Employee Relations Manager
SUBMITTED BY: Joan M. Kent, Assistant City Administrator
APPROVED BY: City Administrator's Office