CALL TO ORDER:
Chair George C. Myers called the meeting to order at 2:34 P.M.

ROLL CALL:
Present:
Chair George C. Myers
Vice-Chair Stella Larson
Commissioners Bruce Bartlett, Charmaine Jacobs, John Jostes, Addison S. Thompson and Harwood A. White, Jr.

STAFF PRESENT:
Paul Casey, Community Development Director
Jan Hubbell, Senior Planner
N. Scott Vincent, Assistant City Attorney
Liz Limón, Project Planner
Kathleen Kennedy, Associate Planner
Julie Rodriguez, Planning Commission Secretary

I. PRELIMINARY MATTERS:
   A. Requests for continuances, withdrawals, postponements, or addition of ex-agenda items.
      None.
   B. Announcements and appeals.
      Ms. Hubbell made the following announcements:
      1. City Council upheld the Planning Commission’s decision for 1298 Coast Village Road with added conditions for the reduction of size, bulk, and scale. The project will move on to the Architectural Board of Review.
2. Design Review Staff has requested a Planning Commissioner to volunteer to review nominations for the Solar Awards. Commissioner Larson expressed interest.

3. The Staff Hearing Officer’s decision for 1420 Alameda Padre Serra Staff has been appealed to the Planning Commission and is scheduled to be heard on September 4, 2008.

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

Chair Myers opened the public hearing at 2:36 P.M. and, with no one wishing to speak, closed the hearing.

II. DISCUSSION ITEM:

ACTUAL TIME: 2:36 P.M.

DEVELOPMENT IMPACT FEES & INFRASTRUCTURE FINANCING STUDY

Last year, the City initiated a study of development impact fees and infrastructure financing techniques. On July 17th, Paul Silvern of HR&A Advisors will present an overview of the study findings. This study is one of many underway to help inform the Plan Santa Barbara process.

Case Planner: Liz Limón, Project Planner
Email: llimon@SantaBarbaraCA.gov

Paul Casey, Community Development Director introduced Liz Limón, Project Planner, and Paul J. Silvern, HR&A Advisors, who gave an overview of common methods for financing the City’s infrastructure and their pros and cons.

Commissioner White left the dais at 2:55 P.M and returned at 3:00 P.M.

Mr. Silvern responded to the Planning Commission’s questions, explaining the Quimby Act and its fee structure; using funds for park land, based on City-wide standards; charging fees for changes of use; use of Mello-Roos as a form of special tax; and did not know of communities varying development fees during down economic cycles. He answered questions about long term debt financing as the best approach to use for a city that is built out like Santa Barbara; reiterated that fee revenue could not be used for projects outside of the source area; and clarified that development fees need to go towards building use in high fire danger areas; and most fees cannot be used for personnel.

Staff answered Planning Commission’s questions about the relation of fee structure to Plan Santa Barbara’s activities, commenting that the upcoming September workshops will provide greater opportunity for analysis.
Chair Myers opened the public hearing at 3:38 P.M.

Jerry Bunin, Home Builders Association, addressed the Commission about development impact fees and the impact they have on project development. Impact fees, like the inclusionary housing fee, impact the cost of construction, but do not set the cost. Requested that the Commission invite the City of Santa Maria to share its successful development fee structure. Submitted written material sharing an impact fee study.

With no one else wishing to speak, the public hearing was closed at 2:43 P.M.

Commissioner's comments:

1. The Commission felt that the discussion was informative and well done.
2. One Commissioner recalled goal of recovering 30% of processing fees and questioned why the goal was not 100%.
3. Questioned the absence of development fees.
4. One Commissioner recalled a time when development impact fees were used and suggested that, if a similar fee structure were used again, the fees be suspended for re-evaluation, rather than sunsetted.
5. Our planning process is costlier than other municipalities, but follows the adage “you get what you pay for”.
6. Would prefer to see the city achieve 50% cost recovery.
7. Sees a need for a park development fee to be implemented, and an analysis of park land. Elaborated that the Upper State Street area is underserved in parks.
8. One Commissioner struggled with the fee structure during down economic cycles.

Mr. Casey responded to additional questions about full cost fee recovery efforts to pay for processing projects and the move to increase cost recovery; development fee comparisons with other municipalities not being applicable due to unique development review process; and the judgment dilemma in charging more fees.

Mr. Silvern responded to the Commission by stating that the Mitigation Fee Act makes it difficult to use pricing as a mechanism to further public policy through use of a development fee. Pricing can be used to influence policy outcomes, but it is difficult when applying to development fees.
III. CONCEPT REVIEW:

ACTUAL TIME: 3:57 P.M.

Commissioner Jacobs left the dais at 3:57 P.M. and returned at 4:01 P.M.

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)

This is a Concept Review of a Revised Master Plan for the El Encanto Hotel. The Revised Master Plan is proposed as two phases. Phase One would consist of a Central Plant of approximately 2,364 square feet that would be located predominantly underground in the northwest corner of the project site. Phase Two would consist of the following: 1) a new pool with fitness center below; 2) new Cottages 27 and 28, which were previously approved and eliminated; 3) an Operations Facility located below a new surface parking lot in the northwest corner of the lot; and 4) Mission Village (5 new cottages with valet parking garage below) in the northeast corner of the project site.

The discretionary applications required for this project are:

1. Modification to allow the predominately underground central plant and Mission Village Cottages to encroach into the front yard setback along Mission Ridge Road (SBMC§28.27.050);
2. Modification to allow Mission Village Cottages and the enclosed patios of Cottages 27 & 28 to encroach into the interior yard setback (SBMC§28.27.050);
3. Modification to allow the stairs of the predominately underground central plant to encroach into the front yard setback along Alvarado Place (SBMC§28.27.050);
4. Modification to allow the parking lot to encroach into the front yard setback along Alvarado Place (SBMC§28.27.050);
5. Modifications to provide less than the required distance between buildings (SBMC§28.27.050.2);
6. Development Plan as defined within R-H Zone standards (SBMC§28.27.100);
7. Development Plan Approval to allocate non-residential square footage from the Minor Addition and Small Addition categories (SBMC§28.87.300); and
8. Transfer of Existing Development Rights of non-residential floor area to the project site (SBMC§28.95).
The purpose of the concept review is to allow the Planning Commission and the public an opportunity to review the proposed project design at a conceptual level and provide the applicant and staff with feedback and direction regarding the proposed land use and design. The opinions of the Planning Commission may change or there may be ordinance or policy changes that could affect the project that would result in requests for project design changes. **No formal action on the development proposal will be taken at the concept review, nor will any determination be made regarding environmental review of the proposed project.**

Case Planner: Kathleen Kennedy, Associate Planner
Email: k kennedy@SantaBarbaraCA.gov

Kathleen Kennedy, Associate Planner, gave the Staff presentation.

Robert Adams, Historic Landmarks Commissioner, stated that the project is still a work in progress, that the Historic Landmarks Commission (HLC) is concerned that the previous tennis court proposal is now a valet parking lot and that the landscape softening efforts being discussed with the applicant to minimize the impact will be continued.

Trish Allen, Suzanne Elledge Planning and Permitting Services, gave the applicant presentation, joined by James Jones, Orient Express Hotels.

Ms. Allen answered Planning Commission questions about the additional modifications being requested since the 2004 site plan approval and the configuration change to reduce floor area square footage; the status of the landscape plan that is being developed; an update on the height reduction of surface parking in progress from the last HLC meeting; and confirmed that the ridge lines in the Mission Village will not exceed the existing ridge lines. Other questions answered included explaining the prior location of the central plant (scattered in several locations around the site); and an explanation of employee and restaurant parking on the property based on the parking demand analysis.

Chair Myers opened the public hearing at 4:38 P.M.

The following people spoke in support of the project:

1. Greg Parker, neighbor, supports the Mission Village modifications, development plan approval, and transfer of development rights. Does not believe that the eucalyptus trees should be preserved.

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

1. Farrokh Nazerian, neighbor, looks forward to the project completion so that he and his wife can enjoy the close proximity of the proposed restaurant and bar. Would like to see trees that do not cut off view.
2. Jan Von Yurt, neighbor, asked for increasing the setbacks on Alvarado Place for safety and satisfactory screening. Supports a modification for a higher wall. Supports removal of the eucalyptus trees and replacing them with adequate landscaping and mature trees. Wants to see an integrated walkway from Alvarado Place to Mission Ridge Road.

3. McKenna Spaulding could not remain, but left written comments, expressing opposition to any variance to existing setbacks for the impact it would have to the neighborhood atmosphere. Wants the existing eucalyptus trees removed because they are a fire hazard, fall after heavy rains, and are out of scale in relation to the buildings and have been poorly maintained. Would like to see any extension of the stone wall or new stone wall to match the existing stone wall along Alvarado Place.

With no one else wishing to speak, the public hearing was closed at 4:50 P.M.

Mr. Jones responded to the Commission’s question about locating the parking underground and stated that several feasibility studies showed that it was not possible.

Commissioner’s comments:

1. One Commissioner remained troubled with the parking lot being above ground and strongly requested that the parking not be visible or obstruct the neighbors views. Would like to see the landscaping plan address the visibility of the cars.

2. Appreciates the mechanical infrastructure located away from guests, but wants to make sure that it is inaudible to the neighbors.

3. Would like to see the Master Plan include solar photovoltaic water heating opportunities.

4. Agrees with HLC on concerns regarding needing a higher wall and lowering the grade at the parking lot.

5. Commissioners appreciated the work done to date and the concept review, but expected a complete landscape plan.

6. Suggested some reconfiguration to the parking that is located above people where people work. Perhaps cars and mechanical could be located underground with gardens and solar panels above ground.

7. Would like to see more sustainability and green elements.

8. Would like to see attention given to the pedestrian access and crosswalk above Alvarado Place. Wants neighborhood pedestrian ‘welcome’ maintained.

9. Commissioners would like to see the new swimming pool configuration reviewed by HLC; looks too much like a cruise ship configuration, sticking out of the hillside.

10. Was not clear on how the wall near cottage 31 would be treated.

11. One Commissioner expressed a desire to have the project move on schedule for the benefit of the transient occupancy tax.

12. Would like the parking to be more compatible with the neighborhood.

13. Some Commissioners approved of the phasing but wanted consideration to be given to minimizing noise impact on the neighbors. Noted that the removal of the tennis courts from the proposal has improved the neighbor’s views.
14. Commissioners look forward to seeing the landscaping plan address the Mission Village podium.
15. Some Commissioners support the TEDR and would like to see the details at the next presentation.
16. One Commissioner would like to see secret pathways incorporated into the project that would be inviting to the neighbors.
17. One Commissioner wants to see greater consideration to restaurant, employee, and visitor parking.
18. Would like an evaluation of the activity at the Mission Ridge Road and Alvarado Place intersection and would want safety enhancements made.
19. Two Commissioners support the removal of the eucalyptus trees and believe that they are fire hazards.
20. One Commissioner would like to see more creativity on the parkinglot, perhaps lowering it to reduce noise and light to the neighbors.
21. Urges development team to use story poles.

Mr. Adams appreciated the review and the direction given by the Planning Commission to take back to the HLC.

IV. ADMINISTRATIVE AGENDA

A. Committee and Liaison Reports.

1. Commissioner Jacobs reported the she, Commissioner Bartlett, and Bettie Weiss, City Planner, attended a conference on Form Based Coding and will give a more detailed review at the next meeting.
2. Commissioner Myers reported the he, and Commissioners Jostes and Thompson, attended a Plan Santa Barbara subcommittee and announced the two upcoming workshops.

B. Review of the decisions of the Staff Hearing Officer in accordance with SBMC §28.92.026.

None were requested.

C. Action on the review and consideration of the following Draft Minutes and Resolutions:

b. Reso #018-08
   900-1100 Las Positas Road (Veronica Meadows)
c. Draft Minutes of May 22, 2008
d. Reso # 019-08
   730 Miramonte Drive
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e. Reso 020-08
   101 E. Victoria Street

**MOTION: Jostes/Thompson**
Continue the minutes and resolutions to July 24, 2008.
This motion carried by the following vote:
Ayes: 7 Noes: 0 Abstain: 0. Absent: 0

VII. **ADJOURNMENT**

**MOTION: Myers/Jostes**
Recess to the Community Workshop on Plan SB Policy Options at the Faulkner Gallery
This motion carried by the following vote:
Ayes: 7 Noes: 0 Abstain: 0 Absent: 0

Chair Myers recessed the meeting at 5:20 P.M.

Submitted by,

[Signature]
Julie Rodriguez, Planning Commission Secretary