I. PROJECT DESCRIPTION/INTRODUCTION

This is a Concept Review of a Revised Master Plan for the El Encanto Hotel. The Revised Master Plan is proposed in 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.

At the June 5, 2008, Planning Commission lunch meeting, staff presented a brief update on the El Encanto Hotel stating that the applicant will 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.

II. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

For Phase One:

1. **Modification** to allow the predominately underground central plant to encroach into the front yard setback along Mission Ridge Road (SBMC §28.27.050);
2. **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);
3. **Development Plan Approval**, as defined within R-II Zone standards (SBMC §28.27.100); and
4. Development Plan Approval to allocate non-residential square footage from the Minor Addition and Small Addition categories (SBMC§28.87.300).

For Phase Two:

1. Modification to allow the 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 parking lot to encroach into the front yard setback along Alvarado Place (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-II Zone standards (SBMC§28.27.100);

6. Development Plan Approval to allocate non-residential square footage from the Minor Addition and Small Addition categories (SBMC§28.87.300); and

7. Transfer of Existing Development Rights of non-residential floor area to the project site (SBMC§28.95).
III. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

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

IV. DISCUSSION

A. PROJECT HISTORY

On December 9, 2004, the Planning Commission approved a Master Plan for the El Encanto Hotel. The approval consisted of the addition of five new cottages containing nine new keys (guest rooms) totaling 5,759 square feet, a 2,251 square foot expansion and remodel of the main hotel building, the onsite relocation of three historic cottages, the exterior alteration of four cottages, the interior renovation of all existing buildings, the reconfiguration of the parking areas, the removal of the tennis court and other site improvements.

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 design review at 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. For example, substantial structural problems found within the main building resulted in a request for its demolition and reconstruction. Similar requests were made for cottages 4 and 12. Each exterior change has been reviewed by the HLC and numerous addendums to the original Historic Structures/Sites Report have been required (see Exhibit A – Project Chronology). According to the project team, all of the work currently permitted and/or under construction is estimated to be completed by April 2009.

B. REVISED MASTER PLAN

On November 17, 2005, the project team presented a Revised Master Plan to the Planning Commission during a lunch meeting in order to receive early comments regarding program changes relative to the swimming pool, underground parking garages and additional floor area needed for operations. Since that time, the project team has been involved in developing each component and submitting the designs for review by the HLC.
On March 28, 2008, the applicant submitted a DART application for a Revised Master Plan. At the time, it was proposed as one application; however, it is now being proposed in two phases for reasons outlined below. 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.

**Phase One: Central Plant**

According to the project team, in order to finalize all of the work currently under construction, the Central Plant must be in operation. Because the project team has encountered design challenges with some of the other components of the Revised Master Plan (Operations Facility and Mission Village), and additional time is needed to resolve the design issues, the applicant requested that the Central Plant component be brought separately to the Planning Commission for consideration.

It is expected that the processing of the Central Plant as a separate application could potentially improve the projected schedule by five or six months. Although staff had encouraged the project team to incorporate all remaining application requests into one Revised Master Plan, we understand the need for the request to process the Central Plant first and are in support of this approach. As can be seen in the attached Project Chronology, the project team has been working diligently to complete the hotel project since the original approval in 2004.

**Phase Two: Swimming Pool/Fitness Center, Operations Facility/Valet Parking Lot, Cottages 27 & 28, and Mission Village**

*Swimming Pool/Fitness Center:* The Master Plan, approved in 2004, included a remodel of the existing pool with an expansion of the pool deck area. Subsequent to the approval, and upon further study of the main building uses and guest needs, the project team determined that the existing pool should be relocated further away from the main building in order to provide an open lawn area to the south. According to the approved Historic Structures/Sites Report, the existing pool was constructed in the 1960s and did not contribute to the historic character of the property. The revised pool includes a fitness center and pool equipment area (2,721 net square feet) located partially subterranean under the pool and pool deck. The design of the pool and fitness center received positive comments from the HLC on March 21, 2007 and would return to the HLC pending approval by the Planning Commission.

On August 28, 2007, the applicant requested a Substantial Conformance Determination to allow the grading of the swimming pool and fitness center to occur along with the grading of the main building. The request was discussed at the September 6, 2007 Planning Commission lunch meeting and was subsequently approved by Staff with the understanding that the grading of the fitness center was to be done at the risk of the applicant and would not guarantee that the fitness center would be approved by the Planning Commission in the future.
Operations Facility/Valet Parking Lot: In 2004, the surface parking lot located in the northwest corner of the property was approved by the Planning Commission to be resurfaced and reconfigured to provide 52 valet parking spaces. As the plan was developed further, the project team submitted a design that included a tennis court with underground parking. Although the design received generally positive comments from the HLC, the project team determined that it was not a feasible design, due primarily to the constraints of the existing topography. Subsequently, and in response to program changes related to the main building, a revised project was developed that included a Central Plant and Operations Facility below a 47 space valet parking area. The Operations Facility would include on-site laundry services, staff lockers, storage, and staff offices in an underground structure consisting of 9,336 square feet. The Central Plant, discussed previously, would be approximately 2,364 square feet.

The current proposed valet parking lot design is similar to the previous configuration that was approved by the Planning Commission in 2004. Due to existing topography, the proposed structure would daylight at the south elevation. The valet parking lot would be screened with generous perimeter landscaping in keeping with the garden setting of the property.

Cottages 27 & 28: In June 2006, the project team submitted a Substantial Conformance Determination (SCD) request to allow an increase in floor area of the basement level of the main building. The SCD request was brought to the Planning Commission for discussion at a lunch meeting on June 15, 2006. The request included a transfer of floor area from previously approved Cottages 27 and 28, resulting in the elimination of the prior approval for these cottages. A total of 953 square feet, which is less than the total square footage of the two cottages, was ultimately transferred to the main building for the basement expansion.

The current application includes a request for the “re-approval” of Cottages 27 and 28, which consists of a total of three (3) guest rooms. Cottages 27 and 28 are located on the east side of the property, immediately south of the proposed Mission Village area. Some minor changes have been made to the proposed cottages and the mass, bulk, and scale design of the cottages have received positive comments from the Historic Landmarks Commission.

Mission Village: The Mission Village component includes the demolition of the existing Court Cottages (22, 23, and 24), located in the northeast portion of the site, and the construction of five new structures. The existing Court Cottages consist of three, two-story detached structures containing 20 keys and totaling 10,614 net square feet. The Court Cottages were previously approved in 2004 to receive façade renovations only. The original Historic Structures/Site Report identifies the Court Cottages as non-contributing structures to the historic significance of the site as they were constructed outside the period of significance.

The new Mission Village Cottages (30-34) would be composed of 26 keys, in a combination of one and two-story structures in a Spanish Colonial Revival architectural style, and would total 11,434 square feet. The Mission Village cottages would be constructed over a partially underground valet parking garage with 36 valet parking spaces. In order to meet the on-site parking requirement of 97 spaces, three additional surface parking spaces are proposed along the driveway entrance adjacent to Mission Ridge Road. The most recent design of Mission Village received positive comments from the HLC on June 11, 2008 and would return to the HLC for Preliminary and Final approval pending approval by the Planning Commission.
Development Plan Approval and Transfer of Existing Development Rights (TEDR): After the Master Plan was approved in 2004, the subject property had 6,138 square feet of non-residential floor area available for future development. As stated previously, a total of 953 square feet was transferred from Cottages 27 and 28 to the main building for the basement expansion. The 883 square feet left over from Cottages 27 and 28 have been added to the remaining future development potential, for a total of 7,021 square feet.

The Central Plant would require 2,364 square feet of floor area which would be allocated from the 7,021 square feet that is currently available. The remaining components of the Revised Master Plan would require additional non-residential square footage that exceeds the remaining development potential; therefore, the project would require the transfer of approximately 9,355 square feet of floor area. At this time, where the additional square footage will be transferred from is undefined. However, prior to formal project consideration, the applicant will be required to state the source and provide documentation from the sending site owner.

V. RECOMMENDATION

Staff recommends that the Planning Commission review the proposed Revised Master Plan and provide comments regarding the overall proposed project.

Please note that this review is not meant to imply any approval of, or formal position on, the proposed project.

Exhibit:

A. Project Chronology

H:\Group Folders\PLAN\PC\Staff Reports\2008 Reports\2008-07-17_Item - 1900 Lasuen Road Concept Review Report.doc
PROJECT CHRONOLOGY – EL ENCANTO HOTEL

Master Plan (MST99-00305) The addition of five new cottages containing nine new keys (guest rooms) totaling 5,759 square feet, a 2,251 square foot expansion and remodel of the main hotel building, the onsite relocation of three historic cottages, the exterior alteration of four cottages, the interior renovation of all existing buildings, the reconfiguration of the parking areas, the removal of the tennis court and other site improvements.

01/08/03 - Historic Structures/Sites Report Accepted by HLC (Master Plan)
10/13/04 - Addendum to Historic Structures/Sites Report Accepted by HLC (accessible paths, sidewalk)
12/09/04 - Planning Commission approval of Master Plan (PC Resolution 057-04)
12/20/04 - Appeal of PC decision filed by Riviera Association
05/12/05 - Planning Commission discussion, narrowing of Alvarado Place (PC Resolution 037-05)
05/31/05 - Appeal withdrawn

Master Plan divided into Phase I and Phase II:
Phase I of Master Plan. Cottages 11, 14, 15 & 16
08/03/05 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottages 11, 14, 15, & 16)
02/15/06 - Building permits issued for Cottages 11, 14, 15 & 16
06/28/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottage 15 & 16)
07/26/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottage 11)
08/09/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottage 16)
10/19/06 - PC Lunch Meeting, discussion to refer Modification request from PC to SHO
12/06/06 - Staff Hearing Officer Approval (SHO Resolution 086-06), Modification to allow interior yard encroachment for Cottage 11
01/03/07 - Building permit issued for Cottages 11
01/16/07 - Building permit issued for Cottages 14 & 16

Phase II of Master Plan (MST2005-00490). Expansion of the main building (Building 1), Cottages 2-10, 13, 17-21 & 25-29, new landscaping, parking improvements, relocation of the swimming pool, historic arbor.

Main Building (Building 1).
12/14/05 - Addendum to Historic Structures/Sites Report Accepted by HLC (Demolition and reconstruction of Main Building)
06/14/06 - Substantial Conformance Determination request to increase basement of Main Building
06/15/06 - PC Lunch Meeting, discussion to transfer sq. ft. from Cottages 27 & 28 to main Building, resulting in Cottages 27 & 28 no longer having approval
10/04/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Demo. of swimming pool)
10/12/06 - Building permit issued for demolition of Main Building and swimming pool
12/13/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Main Building)
12/27/06 - Substantial Conformance Determination request for increase in height of Main Building
01/18/07 - PC Lunch Meeting, discussion regarding increase in height of Main Building
03/29/07 - Substantial Conformance Determination by Staff
05/21/07 - Building permit issued for excavation, shoring, grading for Main Building
06/15/07 - Building permit issued for Main Building
06/27/07 - Addendum to Historic Structures/Sites Report Accepted by HLC (Main Building)
Pending - Building permit for Tenant Improvement for spa in Main building
Cottages 2-10, 13, 17-21 & 25-29, other site improvements.
11/09/05 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottage 2)
02/08/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottages 20 & 21)
02/08/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottages 5-9, 10 & 13)
04/19/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottage 3)
05/17/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottage 17, 18 & 19)
08/23/06 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottage 4, 25, 26 & 29)
04/18/07 - Addendum to Historic Structures/Sites Report Accepted by HLC (Master Site Landscape Plan pathways)
04/23/07 - Building permits issued for Cottages 3, 5-10, 13, 17-21, 25 & 26
04/30/07 - Building permit issued for Cottage 2
08/28/07 - Substantial Conformance Determination request for grading of pool and fitness center
09/06/07 - PC Lunch Meeting, Substantial Conformance Determination discussion regarding grading
11/01/07 - Grading permit issued for swimming pool and fitness center

Cottage 4. Demolition and reconstruction
12/19/06 - Substantial Conformance Determination request for demolition & reconstruction
04/20/07 - Substantial Conformance Determination by Staff
01/29/08 - Building permit issued for Cottage 4

Pending – Building permit for Master Civil Site Improvements, grading, utilities

Cottage 12. Demolition and reconstruction (MST2007-00296)
08/08/07 - Preliminary HLC Approval
05/14/08 - Addendum to Historic Structures/Sites Report Accepted by HLC (Cottage 12)
08/27/08 - Substantial Conformance Determination request
06/09/08 - Substantial Conformance Determination by Staff
06/11/08 - Demolition permit issued
Pending - Final HLC approval and building permit for new Cottage 12

Cottages 22, 23 & 24. Demolition (MST2008-00211)
06/11/08 - Final HLC approval
07/08/08 - Demolition permit issued

Revised Master Plan (MST2007-00140) Proposal includes 1) a new pool with fitness center below; 2) new Cottages 27 and 28, which were previously approved and eliminated; 3) Central Plant/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.

03/28/08 - DART submittal for Revised Master Plan
06/05/08 - PC Lunch Meeting, discussion regarding Central Plant to be Phase One of Revised Master Plan, remainder to be Phase Two of Revised Master Plan

Phase One of Revised Master Plan (MST2008-00328) Central Plant, approximately 2,364 square feet, located predominantly underground in the northwest corner of the project site.

07/03/08 - DART submittal for Phase One of Revised Master Plan