I. PROJECT DESCRIPTION

The proposal is Phase One of a Revised Master Plan for the El Encanto Hotel. Phase One consists of a Central Plant of approximately 2,718 square feet that would be located predominantly underground in the northwest corner of the project site.

II. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

1. **Modification** to allow the central plant to encroach into the front yard setback along Mission Ridge Road (SBMC§28.27.050);

2. **Modification** to allow the central plant to encroach into the front yard setback along Alvarado Place (SBMC§28.27.050);

3. **Development Plan Approval**, as defined within R-H 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).

III. RECOMMENDATION

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 consistent with the surrounding neighborhood. Therefore, Staff recommends that the Planning Commission approve the project, making the findings outlined in Section VI of this report, and subject to the conditions of approval in Exhibit A.
IV. SITE INFORMATION

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

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<th>Adjacent Land Uses</th>
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<tbody>
<tr>
<td>North - Residential</td>
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<tr>
<td>South - Orpet Park/Residential</td>
</tr>
<tr>
<td>East - Residential</td>
</tr>
<tr>
<td>West - Riviera Park Research Center</td>
</tr>
</tbody>
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V. ZONING ORDINANCE CONSISTENCY

The proposed project would meet the requirements of the R-H, Resort-Residential Hotel Zone, with the exception of the required front yard setbacks. The Central Plant, located in the northwest corner of the property, would encroach into the required front yard setbacks along both Alvarado Place and Mission Ridge Road; therefore, the application includes two Modification requests.
In the R-H Zone, the setback requirements from the 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.

As shown on the project plans, the majority of the Central Plant would be located underground, with two small, one-story structures, connected by a trellis element, located above ground. Approximately one-half of one structure, a small portion of the trellis and a portion of the air intake area (approximately 18” high) would be located within the required 30 foot setback.

Staff is in support of the Modification requests to allow the minor encroachments into the setbacks. Many of the existing buildings onsite are legal, non-conforming due to encroachments into the required setbacks, and some existing buildings, walls, and steps also encroach into the public right-of-way. The encroachments associated with this proposal are less than those of Cottage 3 (the historic Cottage relocated from this corner) and those for the surface parking lot approved in 2004. Adequate landscaping will 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 Central Plant.

VI. ISSUES

A. BACKGROUND

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 that would be located predominantly underground in the northwest corner of the project site. Phase Two would consist of the following: 1) a new swimming 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 (five new cottages with valet parking garage below) in the northeast corner of the project site. All other approvals associated with the 2004 Master Plan, and not part of the Revised Master Plan, would remain in effect.

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, 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 approval of the Central Plant as a separate application could potentially improve the projected schedule by five or six months. At the concept hearing, the Commissioners stated that there was support for the phasing of the project as proposed.

B. CENTRAL PLANT (PHASE ONE OF REVISED MASTER PLAN)

The Master Plan, approved by the Planning Commission on December 9, 2004, did not include a Central Plant and would have required mechanical systems throughout the project site as well as adjacent to the main building. The proposed Central Plant would include an electrical room, boilers, water heaters, storage tanks and cooling towers with acoustical silencers for noise
reduction. An acoustical report prepared by Martin Newson & Associates, dated August 8, 2006, concluded that, with the installation of acoustical silencers, noise from the cooling towers of the Central Plant would not have an adverse impact on the neighbors.

The applicant has stated that the logistics associated with the Central Plant include the following: extensive lead time to order, receive and install the mechanical equipment; installation of new underground utility infrastructure from all permitted structures to the Central Plant; testing of Central Plant systems and bringing services to all permitted elements to complete the necessary building inspections for rough-in and trim-out of mechanical, electrical and plumbing; installation of life/safety components including fire sprinklers systems; and conditioning the structure interiors to maintain the finished product.

C. **DESIGN REVIEW**

On July 9, 2008, the Central Plant project was reviewed by the Historic Landmarks Commission (HLC) in conjunction with the surface parking lot and underground Operations Facility. Although there were numerous comments regarding the parking lot, there appeared to be no concerns regarding the design of the Central Plant, and the complete proposal was continued indefinitely to the Planning Commission. Pending approval by the Planning Commission, the Central Plant proposal would return to the HLC for Preliminary and Final approval of the design. A Letter Addendum to the Historic Structures/Sites Report would also be required to be accepted by the HLC as discussed in the Environmental Review section below.

D. **COMPLIANCE WITH THE 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 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 with its hotel use and the adjacent Riviera Park Research Center. Based on the current status of the project site, it is not anticipated that the subject property would change to a residential use in the near future.

E. **ENVIRONMENTAL REVIEW**

As was required for the 2004 Master Plan, a condition of approval has been added to the current project that requires that the final architectural plans be reviewed by a City-qualified architectural historian and that a Letter Addendum Report shall be submitted and accepted by the Historic Landmarks Commission prior to final approval.

*Conclusion:* Staff has determined that the project qualifies for an exemption from further environmental review under Section 15301, Existing Facilities, of the California Environmental Quality Act (CEQA) Guidelines.
F. DEVELOPMENT PLAN IN R-H ZONE

The purpose 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. Land zoned as R-H is also zoned as a residential zone and, in this case, is zoned R-2. Property zoned R-H must be developed and used exclusively under the regulations of the R-H zone or exclusively under the regulations applicable to the underlying residential zone. The subject property is used exclusively for the operation of the hotel.

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.

G. DEVELOPMENT PLAN (SQUARE FOOTAGE ALLOCATION)

The Central Plant would require 2,718 square feet of floor area which would be allocated from the 7,021 square feet that is currently available for the site. Development Plan approval is required to allocate the non-residential square footage from the Minor Addition (1,021 sq. ft.) and Small Addition (1,697 sq. ft.) categories. This allocation will result in a total of 4,303 square feet remaining in the Small Addition category for the project site.

VII. FINDINGS

The Planning Commission finds the following:

A. MODIFICATIONS (SBMC§28.27.050)

The Modification requests to allow the Central Plant to encroach into the front yard setbacks along both Alvarado Place and Mission Ridge Road are consistent with the purposes and intent of the Zoning Ordinance and are necessary to secure an appropriate improvement on a lot.

B. 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 Central Plant facility will be in compliance with the standards described in R-H zone.

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.

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.*

5. The proposed development will not have a significant unmitigated adverse impact on the City's water resources. *No anticipated water resource impacts are anticipated with the construction of the Central Plant.*

6. The proposed development will not have a significant unmitigated adverse impact on the City's traffic. *No anticipated traffic impacts are anticipated with the construction of the Central Plant.*

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.*

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

1. The proposed development is consistent with the regulations in the R-H zone. *The Central Plant is an integral part of the operation of the hotel and with the approval of the Modifications, would be consistent with the regulations of the R-H zone.*

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 Central Plant has been designed to not be in conflict with the adjoining residential areas.*

Exhibits:

A. Conditions of Approval
B. Site Plan
C. Applicant's letter, dated July 23, 2008
PLANNING COMMISSION CONDITIONS OF APPROVAL

1900 LASUEN ROAD, EL ENCANTO HOTEL
MODIFICATIONS, DEVELOPMENT PLAN (FOR R-H ZONE) AND
DEVELOPMENT PLAN APPROVAL
AUGUST 21, 2008

In consideration of the project approval granted by the Planning Commission and for the benefit of the owner(s) and occupant(s) of the Real Property, the owners and occupants of adjacent real property and the public generally, the following terms and conditions are imposed on the use, possession, and enjoyment of the Real Property:

A. Recorded 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 August 21, 2008 is limited to the construction of a 2,718 square foot Central Plant for the El Encanto Hotel as shown on the project plans signed by the chairman of the Planning Commission on said date and on file at the City of Santa Barbara.

B. Design Review. The following items are subject to the review and approval of the Historic Landmarks Commission (HLC). The HLC shall not grant preliminary approval of the project until the following conditions have been satisfied.

1. Review by City-qualified Architectural Historian. All final architectural plans for the Central Plant shall be reviewed by a City-qualified architectural historian. A Letter Addendum Report shall be submitted to the Planning Division and approved by the Historic Landmarks Commission.

C. 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 elements as approved by the Historic Landmarks Commission.

2. Final Acoustical Study. A Final Acoustical Study prepared by a qualified noise engineer or acoustician shall be submitted for review and approval as part of the building plan submittal and shall include verification that the noise levels are within acceptable levels as specified in the Noise Element.

3. 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., Final Map submitted to Public Works 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

EXHIBIT A
which is their usual and customary responsibility to perform, and which are within their authority to perform.

Signed:

<table>
<thead>
<tr>
<th>Property Owner</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Contractor</td>
<td>Date</td>
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<tr>
<td>Architect</td>
<td>Date</td>
</tr>
<tr>
<td>Engineer</td>
<td>Date</td>
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D. **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. **Demolition/Construction Materials Recycling.** Recycling and/or reuse of demolition/construction materials shall be carried out to the extent feasible, and containers shall be provided on site for that purpose, in order to minimize construction-generated waste conveyed to the landfill. Indicate on the plans the location of a container of sufficient size to handle the materials, subject to review and approval by the City Solid Waste Specialist, for collection of demolition/construction materials. A minimum of 90% of demolition and construction materials shall be recycled or reused. Evidence shall be submitted at each inspection to show that recycling and/or reuse goals are being met.

2. **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.

3. **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 Public Works Director.

4. **Construction Hours.** Construction (including preparation for construction work) is prohibited Monday through Friday before 7:00 a.m. and after 5:00 p.m., and all day on Saturdays, Sundays and holidays observed by the City of Santa Barbara, as shown below:

<table>
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<tr>
<td>New Year’s Day</td>
<td>January 1st*</td>
</tr>
<tr>
<td>Martin Luther King’s Birthday</td>
<td>3rd Monday in January</td>
</tr>
<tr>
<td>Presidents’ Day</td>
<td>3rd Monday in February</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Last Monday in May</td>
</tr>
<tr>
<td>Independence Day</td>
<td>July 4th*</td>
</tr>
</tbody>
</table>
Labor Day 1st Monday in September
Thanksgiving Day 4th Thursday in November
Following Thanksgiving Day Friday following Thanksgiving Day
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.

When, based on required construction type or other appropriate reasons, it is necessary to do work outside the allowed construction hours, contractor shall contact the Chief of Building and Safety to request a waiver from the above construction hours, using the procedure outlined in Santa Barbara Municipal Code §9.16.015 Construction Work at Night. Contractor shall notify all residents within 300 feet of the parcel of intent to carry out night construction a minimum of 48 hours prior to said construction. Said notification shall include what the work includes, the reason for the work, the duration of the proposed work and a contact number.

5. **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.

6. **Water Sprinkling During Grading.** During site grading and transportation of fill materials, regular water sprinkling shall occur on-site, 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 on-site 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 on-site 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.

7. **Gravel Pads.** Gravel pads shall be installed at all access points to the project site to prevent tracking of mud on to public roads.

8. **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.

9. **Construction Best Management Practices (BMPs).** Construction activities shall address water quality through the use of BMPs, as approved by the Building and Safety Division.

10. **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) name, contractor(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 font size shall be a minimum of 0.5 inches in height.

11. **Construction Equipment Maintenance.** All construction equipment, including trucks, shall be professionally maintained and fitted with standard manufacturers' muffler and silencing devices.

12. **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.

13. **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.

E. **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 caused by construction (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.

F. **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 DEVELOPMENT PLAN TIME LIMITS:

The development plan approved, 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.

NOTICE OF APPROVAL TIME LIMITS:

The Planning Commission's action approving the Modification shall terminate four (4) years from the date of the approval, per Santa Barbara Municipal Code §28.87.370.
28 July 2008

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

RE: Project Description Letter for El Encanto Hotel – Central Plant

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 Central Plant, 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. It is important to note that the previous approval did not include plans for a Central Plant, but did include mechanical systems that were located near the Main Building and would have involved additional mechanical elements throughout the El Encanto property.

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 back-of-house floor area. Over the course of the previous year, the project team has been continuing to define the details of the revised plan with continued design review before the Historic Landmarks Commission. Recently, the remaining project components received positive design comments from the HLC, allowing the project to proceed to Planning Commission for consideration.
Project Description – Revised Master Plan

As presented to the Planning Commission at the July 17, 2008 Concept Review hearing, the Revised Master Plan consists of the following components: the Pool/Fitness Center (Group E), a re-approval of Cottages 27 and 28 (Group K), a Central Plant/Operations Facility (Group L) below a surface parking lot to accommodate 43 valet parking spaces in the northwest portion of the property, and construction of Mission Village (Group M), five new cottages (#30-34) with a valet parking structure below.

The request to process the Revised Master Plan in a phased application was also presented to the Commission on July 17th. The Commission expressed support of the phased application and additional project detail is provided below.

Phase One Central Plant

Phased DART Application
As discussed on July 17th, in order to complete the structures currently under construction, the Central Plant must be in operation. The Central Plant stand alone construction logistics include the following: extensive lead time to order mechanical equipment; installation of new underground utility infrastructure from all permitted structures to the Central Plant; test Central Plant systems and bring services to all of the permitted elements to complete the necessary building inspections for rough-in and trim-out of mechanical, electrical plumbing in addition to installation of life/safety components including fire sprinklers systems and conditioning the structure interiors to maintain the finished product.

For the critical reasons described above, the project team has determined that the best alternative is to process a separate Development Plan Application for the Central Plant area for which both staff and the Planning Commission have expressed support. Processing the Central Plant in a separate application could potentially improve the projected schedule by five or six months.

The Central Plant is proposed to be approximately 2,718 square feet constructed predominately underground, designed to result in a minimal above-grade change to the property. The Central Plant 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 component include an electrical room, cooling towers, boilers, water heaters, and storage tanks. The HVAC function of the Central Plant (primarily cooling towers and boilers) 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 cooling towers 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 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 and left opened, the EMS controls will not allow HVAC controls to operate other than a fan blowing cool air. The heating system will operate similarly when temperatures drop below an ambient low set point.

**Historic Landmarks Commission**

The project team presented Group L as a whole to the HLC on July 9, 2008. This component was forwarded on to the Planning Commission with the majority of the comments focused on additional screening for the surface parking lot which will be presented to the Planning Commission at a subsequent hearing.

**Discretionary Approvals for Consideration**

The project requests the following discretionary actions for consideration:

1. **Modification** of the front yard setback along Mission Ridge Road to allow the predominately underground central plant to encroach into the front yard setback per SBMC §28.27.050.

2. **Modification** of the front yard setback along Alvarado Place to allow the predominately underground central plant stairs to encroach into the front yard setback per SBMC §28.27.050.

3. **Development Plan Approval** to allocate non-residential square footage from the Minor Addition and Small Addition categories per SBMC §28.87.300.

4. **Development Plan** as defined within R-H Zone standards per SBMC §28.27.100.

**Project Findings and Justifications**

**Yard Modifications**

The front yard modification requests are minor in nature. The majority of the Central Plant is underground with necessary mechanical systems extending above grade and in the required 30-foot front setback. The areas between the property line and these limited
structures will be generously landscaped to provide a more than adequate buffer and to provide an aesthetically pleasing property frontage. 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.

*Development Plan*

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 must meet design standards established by the Historic Landmarks Commission.

The project team is committed to presenting project components before the HLC through the final approval process and is working diligently to complete the hotel renovation and looks forward to the reopening of the El Encanto Hotel.

Please feel free to contact any member of the project team should you have concerns or questions about the project.

Sincerely,

**SUZANNE ELLEDGE**

*PLANNING & PERMITTING SERVICES*

[Signature]

Trish Allen, AICP
Associate Planner