



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: March 28, 2013

AGENDA DATE: April 4, 2013

PROJECT ADDRESS: 35 State Street, 36 State Street and 118 State Street (MST97-00357)
 "Entrada de Santa Barbara"
 (formerly identified as 22-120 State St., 15 E. Mason St., 125 State St. and
 the State St. Right-of-Way Between the Mission Creek Bridge and the
 Union Pacific Railroad Right-of-Way)

TO: Planning Commission

FROM: Planning Division, (805) 564-5470
 Bettie Weiss, City Planner *BLW*
 Danny Kato, Senior Planner *Dyk*
 Allison De Busk, Project Planner

SUBJECT: **SUBSTANTIAL CONFORMANCE DETERMINATION DISCUSSION
 FOR PROPOSED CHANGES TO THE ENTRADA DE SANTA
 BARBARA PROJECT**

I. PURPOSE OF DISCUSSION ITEM

The purpose of this Substantial Conformance Determination (SCD) Planning Commission discussion item is to advise the Planning Commission of proposed changes to the Entrada de Santa Barbara project, and for the City Administrator to receive Planning Commission comments on the proposed changes to the project. The City Administrator will make the final determination as to whether or not the proposed changes are in substantial conformance with the approved project, taking into consideration comments received from the Community Development and Public Works Departments, the Planning Commission and the Historic Landmarks Commission. Therefore, no formal action by the Planning Commission is necessary relative to this item.

As established in the Planning Commission's Guidelines, the SCD process is a standard part of the City's land development review process, since changes to projects are commonly necessary and proposed as a project progresses from one design stage to another as part of the final building permit issuance process. The levels of Substantial Conformance (Levels I through IV) recognize that some changes are minor while other proposed changes may be more significant. It is inherent in the SCD process that these changes may result in different project elements, and that, when this occurs, the City's standard of review is to determine whether the project (with the proposed changes and differences) is consistent with the earlier land use approvals issued for the project.

resulted over the project's environmental review; however, the City and applicant prevailed in this litigation and a final Superior Court judgment was entered, which judgment is now well beyond any appeal period.

The overall site statistics for the originally Approved Entrada Project are summarized below (see also Table 1 and Exhibit H for additional statistics):

- Three areas (A, B, and C) and right-of-way improvements;
- 2.41 acres total;
- Approximately 17,500 sq. ft. of commercial/retail space;
- 56 units, each with a lock-out¹, for a total of 112 units (105,053 sq.ft.);
- A Visitor Information Center (VIC) (2,500 sq .ft.) located in Area C;
- 210 parking spaces (including 68 dedicated off-street parking spaces for the commercial portion of the project and 30 additional public spaces available on a shared-use basis with the time-shares; parking for the VIC provided off-site at 125 State Street). Parking in the Area C garage would be a mixture of time-share and commercial parking;
- Public right-of-way alterations including reconfiguration of on-street parking on Mason Street and Helena Avenue, widening the sidewalk along State Street (consistent with the State Street Plaza design north of Highway 101) and corresponding reduction in the number of vehicle traffic lanes on State Street, installation of a signalized pedestrian crossing at mid-block on State Street between the railroad tracks and Mason Street, and installing a traffic signal at the State/Mason Street intersection;
- No project phasing identified or approved; and
- No operator identified during review and approval process (applicant was Santa Barbara Beach Properties, LP).

B. PRIOR SCDS AND POST-APPROVAL PERMITTING

1. On June 6, 2003, the City received a formal request for a SCD for proposed changes to the originally Approved Entrada Project to accommodate changes required by the new operator, Ritz Carlton Club. The main changes to the site statistics and project are summarized below and shown in Table 1:

- Reduction in the number of rooms from a potential of 112 units (including the lock-out units) to 62 stand alone rooms with no lock out units, resulting in a reduction of time-share square footage from 105,053 to 96,773;

¹ A "lock-out" means that the unit has an additional bedroom and bathroom area that can be used either with the main room, or rented out as a separate unit. Each time-share unit consisted of two bedrooms with two and a half baths, a great or living room, and a kitchen. When the lock-out feature is implemented, the time-share unit is divided into two units with separate entrances. One unit would consist of a bedroom with one and half baths, great room, and a kitchen. The other unit (the "lock-out") would consist of a bedroom with one bath. When the "lock-out" feature is implemented, each of the two units could be separately occupied by the owner, the owner's guest, time-share exchange occupants, or as a public overnight accommodation.

- A change in the time-share unit mix from all 2-bedroom units to a mixture of 1, 2 and 3 bedroom units to better serve a range of visitors;
- Increase in commercial square footage from 16,854 to 17,932 (included the additional 668 square feet of commercial space required as a Planning Commission condition of approval for the originally Approved Entrada Project);
- Additional “back of house” facilities as requested by Ritz Carlton Club for operational purposes, which required a new TEDR to cover additional square footage on Area A (TEDR of 715 sq.ft. from Area B to Area A);
- No change to view corridors as verified by visual view corridor analysis performed at the City’s request;
- Increase in the number of dedicated public parking spaces from 68 to 95;
- Additional public right-of-way encroachments to accommodate the relocated valet/arrival area arcade, private meters, vaults, and telecommunication lines;
- Relocation of the lobby and valet/arrival area from the lobby of the Californian Hotel (Area A) to the East Mason Street frontage on Area C; and
- Design changes on Helena Avenue and East Mason Street elevations.

The Planning Commission discussed the proposed changes on December 4, 2003 and provided its SCD comments to the City’s Community Development Director prior to his SCD decision. The project changes identified above were issued a SCD by the Community Development Director on February 12, 2004.

2. On December 9, 2005, the Community Development Director issued a SCD to allow issuance of sequential building permits for Areas C, B and A, in that order for the Ritz Carlton Club.
3. December 2005, the public improvement plan (State Street, Mason Street and Kimberly Avenue) for Ritz Carlton Club was issued. A standard City Agreement for Land Development Improvements was executed and recorded, and improvement security bonds were provided to the City Engineer to secure the public improvements as required.
4. Building permits were issued for construction of the Entrada Project on Area C in December 2005, and excavation of the underground parking garage began in 2006, but the construction has been on hold since 2009. By pulling building permits for Area C and beginning construction work, the Applicant effectuated the entitlements for the entire Entrada project, as it was then designed.
5. A Final Subdivision Map for the three project sites were recorded in 2006.
6. On July 22, 2008, the Community Development Director issued a minor SCD to the new owner, Mountain Funding, to allow the 10 parking spaces assigned to the

proposed Visitor Information Center (VIC) to be relocated from their approved location off-site at 125 State Street to the parking structure located on Area C (the same site as the VIC) as an accommodation to the proposed Children's Museum project. This project change is shown in Table 1.

7. On July 14, 2009, the City received a formal request for a SCD for proposed changes to the Approved Entrada Project, requested by the new property owner, Mountain Funding. The main changes to the site statistics and project are summarized below and shown in Table 1 and Exhibit H:

- Proposed 114 hotel units and 9 timeshare units.
- Hotel amenities (conference room, gym, spa, business center, lounge and breakfast area) totaling 8,066 sq. ft. were added.
- All back-of-house (BOH) areas now located on the subject properties, rather than off-site, resulting in 1,491 square feet of additional BOH area on the subject properties.
- Storage space for timeshare units added to Areas A, B and C.
- Revised parking plan wherein all hotel and timeshare parking is provided on Areas A and B, and all parking associated with the commercial development, Visitor Information Center and public parking is provided on Area C, thereby separating the hotel's parking from the commercial/VIC/public parking.
- Main lobby and valet pick-up/drop-off relocated from Area C to Area B (along E. Mason Street).
- Greatly expanded public plaza on Area C.
- Less above-grade square footage, resulting in reduced mass on Area C and Area B, and improved mountain views on Area C.
- Minor changes to site plans for each Area, including changes to encroachments into required setbacks, for which modifications were originally granted.

The Planning Commission discussed the proposed changes on October 8, 2009 (refer to Exhibit G – Minutes) in order to provide the Commission's SCD comments to the City Administrator. The HLC reviewed the proposed changes conceptually on October 14, 2009 and November 11, 2009.

In March 2010, the City Administrator issued a SCD for the project changes identified above. As conditions to the SCD, a timeline for completion of certain project milestones was required, and certain temporary improvements were required to improve the aesthetics and safety of the sites until project construction (refer to Exhibit D – SCD Letter).

8. The HLC granted a revised Project Design Approval for the version of the project identified in the March 2010 SCD in 2010.

9. An Amendment to the March 2010 SCD was issued in December 2010 to extend the design review and building construction deadlines by 24 months, extend the start

date for the public improvements by 18 months, and establish a schedule for the seismic retrofit of the Californian building (Exhibit E). This was done to give the new owner, 35 State Street LLC, additional time to analyze the project

10. A structural retrofit of the Californian Hotel, including a partial demolition, was completed in September 2012.

11. September 2012, an updated public improvement plan permit was issued for Stage 1 public improvements (west side of State Street and W. Mason Street). Construction began on March 11, 2013 and is still underway, with work estimated to be complete by August 2013.

Should this Current SCD Request *not* be approved, the applicant could still proceed with the March 2010 SCD version of the project. Final HLC design approval of that project is still required.

III. CURRENT SCD REQUEST

A. SCD REVIEW PROCESS

On January 30, 2013, the Historic Landmarks Commission (HLC) reviewed conceptual plans for project changes (refer to Exhibit F – HLC Minutes). Based on feedback from the HLC, the applicant revised the conceptual plans, and on March 4, 2013, the applicant submitted a formal SCD Request to the Community Development Department. The application was distributed to members of the City’s Land Development Team for review. In addition to review and comment by the Planning Commission, proposed changes will be reviewed by the HLC for additional comments on the project design prior to the City Administrator making a final decision on the SCD request. Of course, if the SCD request is approved by the City Administrator, full HLC review and project design approval for the recent project revisions will be required prior to issuance of City building permits.

B. PROPOSED CHANGES – CURRENT SCD REQUEST (SEE ALSO TABLE 1 AND EXHIBIT H)²

1. Proposing 123 hotel units and no timeshare units. This results in a reduction of hotel-related square footage (- 2,632 s.f.).
2. Proposing a slight increase in the amount of public commercial square footage (+ 672 s.f.).
3. Consolidating all hotel units onto Areas A and B.
4. Additional square footage on Areas A and B, reduced square footage on Area C (compared to March 2010 SCD; project has less square footage on each Area as compared to the originally Approved Entrada Project).
5. Consolidating almost all parking onto Area C. Approximately 10 parking spaces would remain on Areas A and B for queuing and hotel operator needs. This eliminates the underground parking on Area B. On Area C, all hotel parking (140 spaces) would be valet and provided below grade; all public

² The description of proposed changes described here is relative to the March 2010 SCD, unless otherwise noted.

- parking (124 spaces) would be provided in the three-level above grade parking structure.
6. Changes to the layout of Area C, including moving the retail space back to the State Street frontage and revising/relocating the public plaza.
 7. Changes to the massing of development on Area C due to relocation of building mass and public plaza area.
 8. Changes to site plans for each Area, including changes to encroachments into required setbacks, for which modifications were originally granted (refer to additional "Setback Modifications" discussion in Section D below and Exhibit C).
 9. Proposing to construct the entire project, including Stage 2 and 3 of the offsite improvements, as one phase.

The majority of the proposed changes for the Current SCD Request occur on Area C. On Area C, the site planning for the Current SCD Request is more similar to that of the originally Approved Entrada Project than the March 2010 SCD. The Approved Entrada Project included a two-story structure located 10 feet from the State Street right-of-way, with an arcade that extended to the property line. A public plaza was located at the corner of State and Mason Streets. The March 2010 SCD pushed the commercial space to the back of the site eliminating the need for setback modifications along State Street, and creating a large public plaza that faced State Street. The Current SCD Request moves one-story commercial buildings back to some of the State Street property line, but creates a larger public plaza at the corner of State and Mason Streets, and significantly reduces the three-story building mass that was located along Mason Street for both the Approved Entrada Project and the March 2010 SCD.

C. PROJECT STATISTICS

The following table provides approximate comparisons between the Approved Project, the project as revised per all of the prior SCDs, the project as approved by the March 2010 SCD and the Current SCD Request. Additional statistics and information are provided in Exhibit H.

TABLE 1

	Approved (2001)	Approved per prior SCDs (2003-2008)	Approved per March 2010 SCD	Current Request (2013)
Units	112	62	123	123
Timeshare Units	56 (each with a lock-out unit)	62	9	0
Hotel Rooms	0	0	114	123
Bedrooms/Keys	112	128	135	123
Square Footage				
Area A	49,196 net s.f.	48,067 net s.f.	40,194 net s.f.	44,586 net s.f.
Area B	47,662 net s.f.	46,891 net s.f.	31,652 net s.f.	38,641 net s.f.
Area C	48,506 net s.f.	44,975 net s.f.	37,807 net s.f.	18,589 net s.f.
Total Project s.f.	147,385 net s.f.	139,933 net s.f.	109,653 net s.f.	101,816 net s.f.
Public Commercial Area (excludes Hotel Rooms/ Timeshare, BOH, includes VIC)	20,032 net s.f.	20,435 net s.f.	21,654 net s.f.	22,326 net s.f.
Misc. Non-Residential Area	24,800 net s.f.	27,567 net s.f.	20,621 net s.f.	14,744 net s.f.
Hotel Rooms and/or Timeshare Units	105,053 net s.f.	96,773 net s.f.	67,378 net s.f.	64,746 net s.f.
Parking Spaces - Total	220³	210	243	260⁴
Commercial/Public Parking (excludes hotel/ timeshare parking)	108 ⁵	148	120	120 ⁴
Parking required per Municipal Code	201	155	223	246

³ Includes 10 spaces provided off-site at 125 State Street for the Visitor Information Center.

⁴ This number differs from the number identified on the project plans due to the fact that staff would not support the four proposed parallel spaces located on Level 1 of the parking garage.

D. ISSUE AREAS

The Current SCD Request includes many considerable changes when compared to both the originally Approved Entrada Project and the March 2010 SCD, with the most noteworthy and obvious changes occurring on Area C. The changes to Areas A and B are more minor in nature albeit apparently positive.

Throughout review for the originally Approved Entrada Project there have been certain key issues considered by decision-makers. Those issue areas most relevant to this Current SCD Request are summarized below, along with a brief discussion of the proposed changes relative to those issue areas.

1. Land Use

In terms of the land use approval, the project remains a hotel commercial project consistent with the Zoning Ordinance and the City's LCP. Staff does not consider changes from timeshares to hotel rooms as a significant revision to the project, as both types of units are treated the same for land use purposes in our Zoning Ordinance (they both fall under the definition of hotel room), and the potential for a future conversion of the project to all hotel units was always discussed and considered possible throughout the Project's review process. Generally speaking, the City prefers hotels over time shares used by owners in terms of potential revenues from Transit Occupancy Tax (TOT), since the use of a timeshare by the owner does not trigger an obligation to pay the City's TOT.

Visitor Serving Land Uses

The Coastal Act and Local Coastal Plan (LCP) provisions that are applicable to the Entrada project relative to visitor serving uses include: 1) protecting, encouraging, and where feasible providing lower cost visitor and recreational facilities, with public recreational opportunities preferred over private, and 2) that new hotel/motel development within the Coastal zone provide, where feasible, a range of rooms and room prices in order to serve all income ranges. Likewise, lower cost restaurants, or restaurants that provide a wide range of prices, are encouraged.

The Approved Entrada Project provided on-site private recreational amenities including two swimming pools (one on Area A and one on Area C), a fitness center, and outdoor terraces, as well as several amenities likely to be well utilized by the public enjoying the City's Waterfront, such as the public plazas, the paseo access through Areas B and C and the Visitor Information Center. Additionally, the wider bikes lanes that would be provided with the required street improvements along State Street improved bike access in the area. Therefore, the Entrada project was determined to be consistent with the recreation provisions of the Coastal Act and LCP.

The Current SCD Request continues to propose most of these same amenities (only one swimming pool is now proposed, with the approved pool on Area C to be eliminated); therefore, the proposed project remains consistent with those provisions.

As required by the original conditions of approval, the Applicant has already contributed \$1,140,794 to special City fund projects to assist the City in providing low-cost visitor-serving accommodations. The Current SCD Request would result in only hotel rooms and no time-share units, which would likely result in increased TOT revenues to the City, and may even provide for a wider range of rooms and room prices. This would continue to be consistent with the visitor-serving provisions of the Coastal Act and LCP.

2. Setback Modifications

The HRC-2 zone requires 10-foot front setbacks for one-story buildings less than 15 feet in height and 20-foot front setbacks for buildings of more than 15 feet in height. The intent of the HRC-2 setbacks is to provide for an enhanced feeling of openness within the Waterfront area, consistent with the goals of the LCP. The entire Entrada project was previously designed to be more than 15-feet in height and received front setback modifications on each development Area. The front setback modifications were approved, in large part, because of the public spaces provided by the project. As noted in the Planning Commission Staff Report dated June 28, 2001, "The City is attempting to create the State Street Plaza design within the project area, but acknowledges the need for visual openness within the Waterfront area. Therefore, a range of building setbacks within a development is desirable for visual variety." Throughout the design review process, including the 2010 design review approvals, staff ensured that the project was held to the setback encroachments approved by the Planning Commission and City Council for the project as a whole. In the Current SCD Request, certain floors of certain Areas encroach more into the required setback (e.g. first level of Areas A and B), while other floors encroach less (e.g. second and third levels of Area C) as compared to the Approved Entrada Project.

A Setback Analysis was prepared for the Current SCD Request; it compares the Approved Entrada Project to the March 2010 SCD and the current SCD request (see Exhibit C). At the ground level, the proposed changes result in increased building area within the required setback area (approximately 1,268 additional square feet compared to the Approved Entrada Project, but, it results in approximately 590 square feet less than the March 2010 SCD). When all stories of all Areas of the project are considered, the Current SCD Request results in a decrease in overall encroachment (1,744 square feet less than the Approved Entrada Project, and 1,567 square feet less than the March 2010 SCD).

One of the reasons the setback modifications were supported originally was because of the project's open plaza and public paseo areas. The proposed changes affect the plaza and paseos originally considered with the Approved Project. The Current SCD Request results in a large increase in the amount of open/ public space at the ground level of Area C compared to the Approved Project (approximately 6,000 additional square feet compared to the Approved Entrada Project, but approximately 4,000 square feet less than the March 2010 SCD).

The proposed setback encroachments appear to be generally in line with those of the originally Approved Entrada Project and the March 2010 SCD, and the Current SCD Request would address the issues originally associated with those setback encroachments, namely maintaining openness, creating public paseos and avoiding canyonization. Staff is generally supportive of the decreased setbacks at the ground level in exchange for reduced setbacks on the second and third floors and the increased plaza on Area C.

3. **Non-Residential Square Footage (Measure E)**

The Measure E calculations originally done for these sites are relatively complex, and the original approval involved the transfer of hotel rooms and non-residential square footage from Area A to Areas B and C. Staff has done a preliminary review of the proposed changes to the project, and believes that the project will continue to be consistent with the City's non-residential square footage requirements. For the Current Proposal, hotel rooms are transferred from Area A to Area B, and non-residential square footage is transferred from Areas B and C to Area A. Final calculations cannot be done until building permit plans are submitted and permits issued. Staff will ensure that the project complies with its original Measure E allocations prior to issuance of any permits. This project will not use any floor area under the recently adopted Nonresidential Growth Management Ordinance because it is designated as a Prior Approved Project under that Ordinance.

4. **Visual Resources**

An Environmental Impact Report (EIR) focused on public view impacts was prepared for the Entrada project, and was certified by the Planning Commission in 2001. The views identified as important/moderately important in the EIR, which were most affected by the Entrada Project were Views 6 (from the west side of State Street at the Mission Creek bridge looking toward Area B to the north) and 7 (from the west side of State Street south of Mason Street looking through the paseo on Area B). The Final EIR concluded that the Entrada Project would result in adverse, but not significant, impacts to public views.

The Current SCD Request would have a similar impact on View 6, based on the proposed site plan and building height; therefore impacts to this View would be comparable.

However, the Current SCD Request provides a slightly wider paseo within Area B than that of the Approved Entrada Project; therefore impacts to this View would be slightly reduced.

Although the EIR determined that View 8 (looking towards Area C from entrance of California Hotel) was a less than important public scenic view, the applicant has submitted a View Study showing EIR View 8 because the Current SCD Request has the most impact on this View. The View Study compares the Current SCD Request to the March 2010 SCD and the originally Approved Entrada Project. The Current SCD Request would reduce adverse impacts to View 8 compared to the Approved Entrada

Project. Impacts compared to the March 2010 SCD would be similar, with additional ridgeline views opened up, and other mountain views decreased. Please refer to project plans (Exhibit A) for View Study.

During joint public work sessions in April and May of 1999, the Planning Commission and HLC gave the applicant direction to preserve mountain views, maintain visual openness, promote architecture which enhances public views and aesthetics, and reduce the overall size, bulk, and scale of the project.

The Planning Commission staff report for the project (2001) stated “As identified in the Entrada project proposed Final EIR, the Entrada project may result in the some loss of views of the Santa Ynez Mountains and foothills from a few viewpoints along State Street. However, the Entrada project also includes view corridors through the Areas B and C to the Santa Ynez Mountains and foothills under circumstances where the new architecture may actually enhance and frame existing views.”

The proposed changes to the project associated with the Current SCD Request would increase the view corridors provided by the Approved Entrada Project, and follows the Planning Commission and Staff direction given earlier in project review. For these reasons, staff believes that the proposed changes are positive from a visual/view impact standpoint as compared to the Approved Entrada Project.

The proposed changes to Areas A and B are primarily related to the interior layout and function of the buildings, and overall, staff considers the changes to those buildings to be relatively minor and to have little consequence to views as compared to the originally Approved Entrada Project.

5. **Californian Hotel**

The Californian Hotel on Area A is non-conforming with respect to setbacks, building height and number of stories. The 56-foot height and four stories exceed the maximum 45-foot height and three-story limits for hotel buildings in the Waterfront area. The approved exterior alterations to the Californian Hotel include façade improvements that do not change the overall character of the building, and have been supported by the Historic Landmarks Commission. The Entrada project includes interior alterations to the entire hotel, including the non-conforming fourth floor.

The California Hotel was an unreinforced masonry building that was partially demolished in 2012 in accordance with the March 2010 SCD. Because the partial demolition occurred as part of the project approvals, the Entrada project retains the nonconforming status of the building as long as the project approvals remain valid. Should the project approvals lapse, the remainder of the building would need to be demolished in accordance with an existing judgment issued by the Santa Barbara Superior Court as a result of a “seismic safety” Code Enforcement lawsuit filed by the City Attorney’s office in June of 1998.

6. Transportation/Circulation/Parking

Additional information on traffic generation is provided as an attachment to the Applicant Letter (Exhibit B). The data shows that traffic generation would not increase under the Current SCD Request as compared to the Approved Entrada Project. The analysis concludes that the Current SCD Request would result in a reduction of 1 weekday P.M. peak hour trip and 3 weekend peak hour trips. This is primarily due to the fact that hotel units have a lower trip rate than timeshare units.

The project continues to satisfy parking requirements, and continues to provide public parking spaces, which would be available to the general public and would be operated on the same basis as a City-operated parking structure/lot. Additionally, staff believes that having all hotel parking separated from the general commercial and public parking is a better design than the originally Approved Entrada Project, where parking for all uses was mixed together.

Transportation staff has reviewed the plans and has some concerns with the layout and operation of the proposed commercial parking structure. These issues will require additional analysis as more detailed design drawings are developed, and staff will continue to work closely with the applicant to ensure the parking garage complies with City standards.

7. Water & Marine Environments

The Approved Entrada project included upgrades to the storm water system including the installation of industrial interceptors, as necessary, in order to prevent liquid wastes resulting from parking and cleaning areas from contaminating the storm water system. This pre-treatment was considered a benefit to the Mission Creek water environment. Because the proposed revisions require new building permits, the project would be subject to the City's Stormwater Management Plan regulations. Therefore, impacts associated with water and marine environments would likely be improved relative to the Approved Entrada project. This is unchanged from the March 2010 SCD.

The Approved Entrada Project set all new buildings on Area A at least 25 feet back from the top-of-bank of the proposed realignment of Lower Mission Creek. The Current SCD Request maintains that 25-foot setback.

E. ENVIRONMENTAL REVIEW

By its very nature, in order for a SCD to be made, the environmental impacts of proposed changes to a project must be no greater than those associated with the prior approved project. Staff has considered the environmental implications of the proposed changes to the Approved Entrada project. The proposed revisions associated with the Current SD Request have the potential to most affect the environmental subjects of traffic and views. As discussed above, however, the proposed changes further reduce the less than significant view impacts associated with the originally Approved Entrada Project, and traffic would be slightly decreased as a result of the proposed changes.

As a result, for the March 2010 SCD request, staff prepared an Addendum to the Entrada EIR and MND since the 2010 Entrada SCD request appeared to qualify for an Addendum under CEQA Guideline 15164. If the Current SCD Request is approved by the City Administrator, Staff would prepare any necessary documentation to ensure consistency with CEQA and proper public noticing of a similar Addendum as required by the CEQA Guidelines.

IV. CONCLUSION

As indicated in this staff report, while the Current SCD Request includes several changes to the Project, primarily in Area C, staff believes that the proposed changes are either beneficial or benign as compared to either the Approved Entrada Project or the March 2010 SCD version of the Project.

Some of the aspects of the Current SCD Request that staff believes are an improvement to the project, when compared to the originally Approved Project, are the following: 1. the increased public plaza space on Area C, 2. the increased mountain views on Area C, and 3. the relocation of the lobby and arrival/valet service area to Area B. Additionally, as compared to both the Approved Entrada Project and the March 2010 SCD, the Current SCD Request provides additional commercial space and includes all hotel units and no timeshare units, which staff views as positive changes. Staff is also supportive of locating one-story commercial buildings on Area C close to the street in order to better activate and enliven the public areas and sidewalks. Finally, Staff believes that it will be to the public's and the City's benefit to have the Entrada Project constructed all in one phase, as is now being proposed as part of the SCD request.

In addition, the project would continue to provide the public benefits identified as part of the originally Approved Project, including:

- A new Visitor Information Center;
- Completion of the City's long held vision for connecting the Waterfront and Downtown via the extension of the State Street Plaza design improvements to the project area;
- Additional public plazas and paseos;
- Additional Waterfront public retail parking with parking rates and a free parking period tied to that provided by City operated lots;
- Stormwater run-off filtration improvements; and
- Undergrounding of overhead utility lines.

Therefore, in staff's opinion, the Current SCD Request is in substantial conformance with both the Approved Entrada Project and the March 2010 SCD. Moreover, staff considers the Current SCD Request to be an improvement over the Approved Entrada Project. However, there are still technical and engineering details, which staff and the applicant will need to resolve in order to ensure compliance with current construction standards and regulations. Additionally, the Applicant will need to obtain Project Design Approval from the HLC for these revisions.

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Exhibits:

- A. Plans for Revised Entrada de Santa Barbara Project (provided under separate cover)
- B. Applicant Letter dated March 4, 2013
- C. Setback Analysis prepared by Applicant dated March 4, 2013
- D. Substantial Conformance Letter dated March 3, 2010 and SCD Conditions of Approval
- E. First Amendment to the March 2010 Entrada Project SCD Conditions of Approval
- F. Historic Landmarks Commission Minutes, January 30, 2013
- G. Planning Commission Minutes, October 8, 2009
- H. Additional Project Statistics/Comparisons
- I. Archived Reports (provided under separate cover)
 - I.1 – Planning Commission Staff Report, June 28, 2001
 - I.2 – Council Agenda Report, August 2001
 - I.3 – Resolution No. 01-103
 - I.4 – Conditions of Approval
 - I.5 – Final Environmental Impact Report



City of Santa Barbara

California

Plans for Revised Entrada de Santa Barbara Project will be distributed to the Planning Commission separately.

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735 Anacapa Street
Santa Barbara, CA 93101

RECEIVED
MAY 4 2013
CITY OF SANTA BARBARA
PLANNING DIVISION

Re: Request for Determination of Substantial Conformance of Proposed Revisions to the Original Approved Entrada de Santa Barbara Project and the Subsequent SCD Approved Project; 22-120 State Street, 15 E. Mason Street, and the State Street Right of Way Between the Mission Creek Bridge and the Union Pacific Railroad Right of Way; MST 97-00357

Dear Mr. Armstrong:

This letter is written on behalf of our client ("35 State Street Hotel Partners, LLC ("35 State Street"), which is the Owner of the Entrada de Santa Barbara Project ("Entrada Project"). The purpose of this Letter is to request that you, as the City Administrator (acting for the Community Development Director), find and determine that the proposed modifications and revisions to the Entrada Project which are described in this letter, the plans and the attachments, are in substantial conformity with the Approved Entrada Project and the March 20, 2010 Entrada Project Substantial Conformance Determination ("SCD"), as amended by the "First Amendment to the March 2010 Entrada Project Substantial Conformity Determination, dated December 23, 2010 ("First Amendment") and the "Second Amendment dated December 30, 2011 ("Second Amendment"); as detailed below.

BACKGROUND

We would like to provide you with a summary of 35 State Street's efforts to date on the Entrada Project to comply with the March 2010 SCD.

EXHIBIT B

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Since acquiring the Entrada Project, 35 State Street has successfully ameliorated the public health and safety concerns of the City by completing the demolition and seismic retrofit of the *Californian Hotel*, which retrofit included preservation of the historic State Street frontage. 35 State Street's commitment to the Entrada Project is evidenced by the fact that the costs spent on the demolition and seismic retrofit of the *Californian Hotel* exceeded **\$2,000,000**, which is four (4) times the original amount estimated by the City.

To date, 35 State Street has spent over **\$5,000,000** on advancing the Entrada Project since it acquired the property exclusive of acquisition costs.

In addition, 35 State Street has diligently been working with the City agencies to complete the working drawings and permitting for the Stage 1 off-site improvements. The Agreement to Construct the Stage 1 Improvements between the City and 35 State Street was executed on February 28, 2013 and construction will commence forthwith.

Finally, 35 State Street continues to maintain the landscaping and sidewalks on and around the Entrada Project site to sustain the attractiveness of the surrounding area.

As demonstrated above, 35 State Street is committed to moving the project forward, and with the minor revisions outlined below, to achieving the long sought revitalization of the lower State Street area with the completion of the beautiful and economically vibrant Revised 35 State Street Project.

SCD GOALS

In order to achieve the economies of scale necessary to feasibly and cost-effectively deliver a completed project of this magnitude, 35 State Street desires to formally request changes to the various construction milestone dates in the First Amendment based on its decision to build the Entrada Project in "One Phase" as opposed to Multiple Phases. With the exception of the Stage I off-site improvements, this approval will incorporate ALL of the Project improvements/ construction ("onsite" and "offsite" improvements) into a single phase. Further, 35 State Street is proposing programmatic changes to the concept plans to address constructability of the Project consistent with the uses and elements of the approved plan to maximize efficiencies and provide public benefits. The goals for the SCD request are summarized below.

- **Single Construction Phase:** Construct and deliver the entire Entrada Project in one single phase (buildings and off-site improvements) which will result in the simultaneous construction of the "onsite" improvements on Areas A, B and C and the Stage 2 and 3 "offsite" improvements. 35 State Street will complete construction of the Entrada Project no later than the previous completion date of June 30, 2016.
- **Hotel Use:** Consolidate all 123 hotel rooms on Areas A and B, enhancing hotel programming, Back-of-House (BOH) and amenities, as well as improving hotel

operation efficiencies. All rooms on Areas A and B will be hotel rooms. There will be no timeshare/fractional units.

- **Parking:** Consolidate substantially all program parking requirements by locating it all on Area C, leaving only a small amount of flexible parking spaces on Areas A and B for queuing and hotel operator needs. This change eliminates the substantial underground and surface parking spaces located on Area B and eliminates the need for another excavated hole along State Street that will require a dewatering system and would create further disruption to the neighboring properties.
- **Commercial / Retail Space:** On Area C's State Street frontage provide commercial/retail space, consistent with the original Planning Commission approval, which functions as a commercial draw to induce the public to proceed up State Street as a walkable experience.
- **Plaza Area:** Maintain and redesign the public plaza concept as it relates to the revised commercial core on Area C along State Street, as well as to the hotel program on Area B across Mason Street. The proposed design will increase the usability of the plaza by the public due to its location at the corner of State and Mason Streets, and by providing a more functional configuration for events.
- **Mountain Views:** Maintain public view corridors by increasing ridgeline views of the mountains from key project viewing locations

SCD DESCRIPTION

We strongly believe this letter, the attached Exhibits, and the Plans (see attached Exhibit "A") prepared by DesignARC Architects will demonstrate the changes requested by 35 State Street are a substantial improvement over the previously approved Entrada Project and are in substantial conformity with the original Approved Entrada Project and the Subsequent SCD as amended, and remains in compliance with and/or is an improvement with respect to previous analyses of view issues, Measure E requirements, traffic, and parking parameters.

	ORIG. ENTITLEMENT	PREV. APPROVED SCD	PROPOSED SCD
Hotel Keys	-	114	123
Timeshares	112	9	-
Commercial SF	17,532	19,300	19,920
Public Open Space (Plaza) SF	6,674	16,567	12,633
Parking Spaces	220	243	264

Proposed refinements to the August 21, 2001 Approved Entrada Project and the Subsequent First Amendment SCD are identified below.

Reconfiguration of Rooms/Type of Units

In response to market demand, 35 State Street proposes to modify the room configuration and the types of units to create more, smaller units, along with a few large suites, while still maintaining the approved Measure E allowances/restrictions. The applicant also proposes to eliminate hotel rooms from Area C, and consolidate all rooms within Areas A and B; timeshare units are no longer proposed. The following is a summary of the reconfiguration of the units with respect to hotel room/ key location and room size in square feet (SF):

<u>ROOMS (KEYS)</u>	<u>ROOM SIZE (SF)</u>
<u>AREA A</u>	
64 hotel rooms (64 keys)	297 - 888 SF
<u>AREA B</u>	
59 hotel rooms (59 keys)	323 - 944 SF
<u>AREA C</u>	
0 hotel rooms (0 keys)	0 SF
<u>TOTAL</u>	
123 hotel rooms (123 keys)	297 - 944 SF

A non-residential square footage breakdown by site and type; hotel room breakdown by site and details of hotel room sizes is attached hereto as Exhibit "B".

A SCD summary sheet consisting of key/room analysis, public commercial analysis, hotel amenity analysis, parking analysis and traffic analysis is attached as Exhibit "C".

Hotel Amenities

When the 35 State Street team redesigned the program to an all hotel project, additional amenities were created, such as, additional flexible meeting space on Area B and C. Other previous hotel amenities continue to remain in the program such as conference room, business center, gym, spa, and lounge. The location of the respective Hotel Amenities are detailed on the attached set of plans (see Exhibit "A").

Parking

All proposed Hotel Guest parking will be performed via valet. Except for a few parking spaces in Area A and B, all private parking spaces for Hotel Guests will be located within an underground parking garage located on Area C. Public parking will be located in Area C's all above grade parking garage, which is accessed from a separate driveway from the valet entrance for Hotel Guest parking.

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The specific parking requirements and the amount of parking provided is detailed on the attached set of Plans (see Exhibit "A") and in Parking Analysis set forth in Exhibit "C".

Construction

The Revised 35 State Street Entrada Project will be built in one single phase (buildings and off-site improvements) which will result in the simultaneous construction of the "onsite" improvements on Areas A, B and C and the Stage 2 and 3 "offsite" improvements. 35 State Street will complete construction of the Entrada Project no later than the previous completion date of June 30, 2016.

Measure E Analysis

Attached as Exhibit "D", is a new Measure E Analysis to demonstrate that there is adequate Measure E square footage (including room for room transfers) to satisfy the requirements of the modifications and revisions requested by 35 State Street, described herein. This new Measure E Analysis has been prepared in the same format and uses the same principles as the Measure E Analysis which was prepared for the Approved Project.

CONCLUSION

Thank you in advance for your consideration of this request. With the requested changes, the Revised 35 State Street Entrada Project will be well positioned for a streamlined and cost-effective construction effort that will successfully and feasibly implement a major redevelopment project which will:

- Be consistent with past approvals;
- Be compatible with surrounding development;
- Maintain mountain views; and,
- Encourage pedestrian activity and connection between the Waterfront and Downtown Areas.

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Should you have any questions, need further documentation, or wish to further discuss this SCD Letter Request with the Applicant or the members of the Applicant's team, please do not hesitate to contact me at (805) 963-0755.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Douglas E. Fell". The signature is fluid and cursive, with the first name "Douglas" being the most prominent.

Douglas E. Fell

Attachments

cc: Stephen P. Wiley, Esq. (w/enclosures)
Scott Vincent, Esq. (w/enclosures)
Ms. Bettie Weiss (w/enclosures)
Ms. Allison De Busk (w/enclosures)
Mr. Michael Rosenfeld
Kenneth E. Marshall, AICP
Mr. Rick Arambulo
Ms. Melisa Cinarli

EXHIBIT A

THE PLANS CONSISTING OF THE 29 SHEETS WHICH ARE LISTED
BELOW AND ACCOMPANY THIS SUBMITTAL

G000	Cover Sheet
G001	Tabulations
G002	Master Site Plan
AA000	Area A Cover Sheet
AAS01	Area A Site- Plan
AA101	Area A Ground Level Plan
AA102	Area A Second + Third Level Plan
AA104	Area A Fourth Level Plan
AA105	Area A Upper Deck Level Plan
AA300	Area A Exterior Elevation - State + Mason Street
BA000	Area B Cover Sheet
BAS01	Area B Site Plan
BA101	Area B Ground Level Plan
BA102	Area B Second Level Plan
BA103	Area B Third Level Plan
BA104	Area B Roof Plan
BA300	Area B Exterior Elevation -State Street
BA301	Area B Exterior Elevation - Mason Street
CA000	Area C Cover Sheet
CAS01	Area C Site Plan
CA100	Area C Below Grade Parking Garage Plan
CA101	Area C Ground Level Plan
CA102	Area C Second Level Plan
CA103	Area C Third Level Roof Plan
CA300	Area C Exterior Elevation - State Street
CA301	Area C Exterior Elevation - Mason Street
CA820	Area C Additional Views
CA821	Area C Additional Views
CA822	Area C View Study

EXHIBIT B

**NON-RESIDENTIAL SQUARE FOOTAGE BREAKDOWN BY SITE AND
TYPE; HOTEL ROOM BREAKDOWN BY SITE AND DETAILS OF HOTEL
ROOM SIZES**

ENTRADA DE SANTA BARBARA - TOTAL AREA TABULATION - NET SF

AREA A	Floor Number	NET Commercial SF	NET Common Areas SF	NET Core Areas SF (Stair Tower, Elevator)	NET Non-Residential SF
Above Grade	Mezzanine		0 sf		0 sf
Above Grade	1	4,584 sf	5,694 sf	522 sf	10,800 sf
Above Grade	2	0 sf	2,470 sf	0 sf	2,470 sf
Above Grade	3	0 sf	2,470 sf	0 sf	2,470 sf
Above Grade	4	0 sf	1,534 sf	0 sf	1,534 sf
Subtotals		4,584 sf	12,168 sf	522 sf	17,274 sf
AREA B					
Below Grade	-1	0 sf	0 sf	0 sf	0 sf
Above Grade	1	6,437 sf	6,217 sf	142 sf	12,796 sf
Above Grade	2	0 sf	76 sf	0 sf	76 sf
Above Grade	3	0 sf	76 sf	0 sf	76 sf
Subtotals		6,437 sf	6,369 sf	142 sf	12,948 sf
AREA C					
Below Grade	-1	0 sf	0 sf	0 sf	0 sf
Above Grade	1	11,305 sf	6,700 sf	584 sf	18,589 sf
Above Grade	2	0 sf	0 sf	0 sf	0 sf
Above Grade	3	0 sf	0 sf	0 sf	0 sf
Subtotals		11,305 sf	6,700 sf	584 sf	18,589 sf
TOTAL AREA FOR A + B + C		22,326 sf	25,237 sf	1,248 sf	48,811 sf

ENTRADA DE SANTA BARBARA - UNIT MIX - NET SF

UNIT TYPES	Area A	Area B	TOTAL A + B	Unit %
1 Bedroom Sid Hotel Room	50 units (385 sf avg.)	44 units (393 sf avg.)	94 units (389 sf avg.)	76%
1 Bedroom Suite Hotel Room	14 units (577 sf avg.)	15 units (560 sf avg.)	29 units (568 sf avg.)	24%
Total BR	64 BR	59 BR	123 BR	100%
Total Units	64 units	59 units	123 units	

ENTRADA DE SANTA BARBARA - AREA A - UNIT MIX + SF SUMMARY

Uses	Details	NET SF	Total SF By Floor
Commercial SF	Comm. A - Restaurant	3,597 sf	
	Comm. B - Retail	987 sf	4,584 sf
Common Areas SF (Conditioned)	1st Floor		
	Lobby	988 sf	
	Circulation	499 sf	
	Trash Room	256 sf	
	Elev. Mech. + Storage	101 sf	
	Spa	1,090 sf	
	Elevator Room 3	2,651 sf	5,694 sf
	2nd Floor		
	Circulation	1,954 sf	
	Storage	68 sf	
	Vending	143 sf	
	BOH	305 sf	2,470 sf
	3rd Floor		
	Circulation	1,954 sf	
Storage	68 sf		
Vending	143 sf		
BOH	305 sf	2,470 sf	
4th Floor			
Circulation	1,074 sf		
Storage	106 sf		
Restrooms	354 sf	1,534 sf	
5th Floor			
Stair 1	163 sf		
Stair 2	146 sf		
Elevator 1	71 sf		
Elevator 2	71 sf		
Service Elevator 3	71 sf		
	Total		522 sf
			17,274 sf

UNIT MIX									
Unit Number	NET SF	Bedroom Count	Unit Type	Unit Count	Average Unit Size NET SF	Unit %			
201	314 sf	1 BR							
202	321 sf	1 BR							
203	469 sf	1 BR	Suite						
204	381 sf	1 BR							
205	887 sf	1 BR	Suite						
206	431 sf	1 BR							
207	431 sf	1 BR							
208	431 sf	1 BR							
209	431 sf	1 BR							
210	431 sf	1 BR							
211	431 sf	1 BR							
212	595 sf	1 BR	Suite						
213	486 sf	1 BR	Suite						
214	332 sf	1 BR							
215	365 sf	1 BR							
216	412 sf	1 BR							
217	412 sf	1 BR							
218	365 sf	1 BR							
219	365 sf	1 BR							
220	465 sf	1 BR							
221	465 sf	1 BR							
222	460 sf	1 BR							
223	297 sf	1 BR							
224	297 sf	1 BR							
225	421 sf	1 BR		25 units	428 sf	39%			
201	314 sf	1 BR							
202	321 sf	1 BR							
203	469 sf	1 BR	Suite						
204	381 sf	1 BR							
205	887 sf	1 BR	Suite						
206	431 sf	1 BR							
207	431 sf	1 BR							
208	431 sf	1 BR							
209	431 sf	1 BR							
210	431 sf	1 BR							
211	431 sf	1 BR	Suite						
212	595 sf	1 BR	Suite						
213	486 sf	1 BR							
214	332 sf	1 BR							
215	365 sf	1 BR							
216	412 sf	1 BR							
217	412 sf	1 BR							
218	365 sf	1 BR							
219	365 sf	1 BR							
220	465 sf	1 BR							
221	465 sf	1 BR							
222	460 sf	1 BR							
223	297 sf	1 BR							
224	297 sf	1 BR							
225	421 sf	1 BR		25 units	428 sf	39%			
401	525 sf	1 BR	Suite						
402	580 sf	1 BR	Suite						
403	586 sf	1 BR	Suite						
404	435 sf	1 BR	Suite						
405	335 sf	1 BR							
406	335 sf	1 BR							
407	335 sf	1 BR							
408	335 sf	1 BR							
409	383 sf	1 BR							
410	648 sf	1 BR							
411	426 sf	1 BR	Suite						
412	332 sf	1 BR	Suite						
413	335 sf	1 BR							
414	332 sf	1 BR		14 units	423 sf	22%			
Total	27,512 sf	64 BR		64 units	427 sf	100%			

ENTRADA DE SANTA BARBARA - AREA B - UNIT MIX + SF SUMMARY

SF SUMMARY	Uses	Details	NET SF	Total SF By Floor
Commercial SF	Commercial A		1,829 sf	
	Commercial B		4,608 sf	6,437 sf
Common Areas SF	1st Floor			
	Elev. 1 Room		83 sf	
	Elev. 2 Room		83 sf	
	Lobby		1,241 sf	
	Admin Office		651 sf	
	Large Conf. Room		745 sf	
	Small Conf. Room		312 sf	
	Hotel Lounge		512 sf	
	Business Center		207 sf	
	Storage		144 sf	
	Restrooms		282 sf	
	Circulation		159 sf	
	BOH		250 sf	6,217 sf
	2nd Floor			
Storage		76 sf	76 sf	
3rd Floor				
Storage		76 sf	76 sf	
Core Areas SF (Elevators + Stairs)	Elev. 1		71 sf	
	Elev. 2		71 sf	
	Total		12,348 sf	

UNIT MIX									
Unit Number	NET SF	Bedroom Count	Unit Type	Unit Count	Average Unit Size SF	Unit %			
101	494 sf	1 BR							
102	434 sf	1 BR							
103	408 sf	1 BR							
104	408 sf	1 BR							
105	408 sf	1 BR							
106	408 sf	1 BR							
107	408 sf	1 BR		7 units	424 sf	12%			
201	408 sf	1 BR							
202	408 sf	1 BR							
203	408 sf	1 BR							
204	408 sf	1 BR							
205	408 sf	1 BR							
206	589 sf	1 BR	Suite						
207	494 sf	1 BR	Suite						
208	490 sf	1 BR	Suite						
209	408 sf	1 BR							
210	536 sf	1 BR	Suite						
211	536 sf	1 BR	Suite						
212	408 sf	1 BR							
213	654 sf	1 BR	Suite						
214	437 sf	1 BR	Suite						
215	447 sf	1 BR	Suite						
216	345 sf	1 BR							
217	373 sf	1 BR							
218	323 sf	1 BR							
219	373 sf	1 BR							
220	348 sf	1 BR							
221	609 sf	1 BR	Suite						
222	488 sf	1 BR	Suite						
223	622 sf	1 BR							
224	388 sf	1 BR							
225	388 sf	1 BR							
226	408 sf	1 BR							
227	408 sf	1 BR							
228	408 sf	1 BR							
229	408 sf	1 BR							
230	408 sf	1 BR							
231	479 sf	1 BR							
232	382 sf	1 BR	Suite	32 unit	444 sf	54%			
301	408 sf	1 BR							
302	408 sf	1 BR							
303	408 sf	1 BR							
304	408 sf	1 BR							
305	408 sf	1 BR							
306	408 sf	1 BR							
307	536 sf	1 BR	Suite						
308	536 sf	1 BR	Suite						
309	408 sf	1 BR							
310	944 sf	1 BR							
311	345 sf	1 BR	Suite						
312	373 sf	1 BR							
313	323 sf	1 BR							
314	373 sf	1 BR							
315	348 sf	1 BR							
316	382 sf	1 BR							
317	385 sf	1 BR							
318	360 sf	1 BR							
319	385 sf	1 BR							
320	382 sf	1 BR		20 units	426 sf	34%			
Total	25,683 sf	68 BR		68 units	435 sf	100%			

ENTRADA DE SANTA BARBARA - AREA C - UNIT MIX + SF SUMMARY

SF SUMMARY	Uses	Details	NET SF	Total SF By Floor
Commercial SF	1st Floor	Visitor Information Center	2,406 sf	
		Commercial A	2,323 sf	
		Commercial B	1,540 sf	
		Commercial C	1,914 sf	
		Commercial D	1,540 sf	
	3rd Floor	Commercial E	1,582 sf	
				11,306 sf
Common Areas SF	1st Floor	Elev. 1 Room	70 sf	
		Elev. 2 Room	62 sf	
		Elev. 3 Room	59 sf	
		Trash Room	370 sf	
		Venue Circulation	90 sf	
		Venue Space	2,992 sf	
		Venue Pre-Function	768 sf	
		Venue Restrooms	475 sf	
		BOH/Kitchen	1,352 sf	
		2nd Floor	Venue Restrooms (2nd flr)	462 sf
				6,700 sf
Core Areas SF (Elevators + Stairs)	1st Floor	Elevator 1	71 sf	
		Elevator 2	64 sf	
		Service Elevator 3	47 sf	
		Stair 2	132 sf	
		Stair 3	270 sf	
				584 sf
			Total	18,589 sf

EXHIBIT C

**SCD SUMMARY SHEET CONSISTING OF KEY/ROOM ANALYSIS, PUBLIC
COMMERCIAL ANALYSIS, HOTEL AMENITY ANALYSIS, PARKING
ANALYSIS AND TRAFFIC ANALYSIS**

SCD SUMMARY SHEET

KEY / ROOM ANALYSIS		KEY COUNT	BEDROOM COUNT
AREA A	HOTEL	64 Keys	64 Bdrm
	1 Bdrm		
	TIMESHARE	0 Keys	0 Bdrm
	2 Bdrm		
AREA B	HOTEL	64 Keys	64 Bdrm
	1 Bdrm		
	TIMESHARE	59 Keys	59 Bdrm
	2 Bdrm		
AREA C	HOTEL	59 Keys	59 Bdrm
	1 Bdrm		
	TIMESHARE	0 Keys	0 Bdrm
	3 Bdrm		
TOTAL A + B + C		123 Keys	123 Bdrm
Total Hotel		123 Keys	123 Bdrm
Total Timeshare/Fractional		0 Keys	0 Bdrm

PUBLIC COMMERCIAL ANALYSIS		COMMERCIAL SF
AREA A	Commercial A	3,997 sf
	Commercial B	987 sf
Total		4,984 sf
AREA B	Commercial A	1,629 sf
	Commercial B	4,608 sf
Total		6,437 sf
AREA C	Visitor Information Center (VIC)	2,406 sf
	Commercial A	2,323 sf
	Commercial B	1,540 sf
	Commercial C	1,914 sf
	Commercial D	1,540 sf
Total		11,905 sf
TOTAL A + B + C		22,326 sf
TOTAL A + B + C (Less VIC)		19,920 sf

TRAFFIC ANALYSIS		WEEKDAY TRIP RATES		PEAK TRIPS (PM)	
		Rate	Trips	Rate	Trips
Previously Approved Project	Timeshare Keys	10.03	1,123	0.75	84
	Public Comm. w/o VIC	42.70	749	3.71	65
	Total		1,872		149
Proposed Project	Keys	10.03	0	0.75	0
	Timeshare/Fractional Keys	8.17	1,005	0.60	74
	Hotel Keys	42.70	850	3.71	74
	Public Comm. w/o VIC				
	Total		1,855		148
Variance			-17 Trips		-1 Trips

(ITE 8th Edition Rates)

PARKING ANALYSIS		PARKING REQUIRED	PARKING PROVIDED
AREA A	Keys / Private	64 Spaces	6 Spaces
	Public Commercial	18 Spaces	
Total		82 Spaces	6 Spaces
AREA B	Keys / Private	59 Spaces	4 Spaces
	Public Commercial	26 Spaces	
Total		85 Spaces	4 Spaces
AREA C	Private	0 Spaces	130 Spaces
	Public Comm. w/o VIC	36 Spaces	124 Spaces
Total		36 Spaces	254 Spaces
TOTAL PRIVATE PARKING		123 Spaces	140 Spaces
TOTAL PUBLIC PARKING		80 Spaces	
Public Comm. w/o VIC		10 Spaces	
Visitor Information Center		11 Spaces	
Loss on Mason St.		2 Spaces	
Loss on Helena St. (NEW)		20 Spaces	
Excess Public Parking (Not Required)		123 Spaces	124 Spaces
TOTAL PRIVATE + PUBLIC PARKING (A + B + C)		246 Spaces	264 Spaces
Net Variance		18 Spaces	

HOTEL AMENITY ANALYSIS		AMENITY SF
AREA A	Lobby	988 sf
	Gym	1,800 sf
	Spa	2,851 sf
Total		4,729 sf
AREA B	Lobby	1,277 sf
	Admin Office	651 sf
	Large Conf. Room	745 sf
	Small Conf. Room	312 sf
	Hotel Lounge	512 sf
	Business Center	207 sf
	Restrooms	262 sf
Total		3,966 sf
AREA C	Venue Spaces	2,992 sf
	Venue Pre-Function	788 sf
	BOH/Kitchen	1,352 sf
	Restrooms	937 sf
Total		6,049 sf
TOTAL A + B + C		14,744 sf

TRAFFIC ANALYSIS		WEEKEND TRIP RATES		PEAK TRIPS (PM)	
		Rate	Trips	Rate	Trips
Previously Approved Project	Timeshare Keys	10.05	1,126	0.92	103
	Public Comm. w/o VIC	49.97	876	4.82	84
	Total		2,002		187
Proposed Project	Keys	10.05	0	0.92	0
	Timeshare/Fractional Keys	8.19	1,007	0.72	88
	Hotel Keys	49.97	995	4.82	96
	Public Comm. w/o VIC				
	Total		2,002		184
Variance			0 Trips		-3 Trips

(ITE 8th Edition Rates)

EXHIBIT D
MEASURE E ANALYSIS

ENTRADA MEASURE E ANALYSIS

March 4, 2013

Area A

AVAILABLE EXISTING SQUARE FOOTAGE/ROOMS

Rooms	96
Non-residential Square Footage	
Existing	13,648
0.25 lot area for 1 vacant lot	2,050
1,000 sq. ft. minor addition x 2 lots	2,000
Subtotal	17,698
Transfer of Non- Residential Square Footage	
From Area C	3,988
From Area B	4,903
	26,589

REQUIRED SQUARE FOOTAGE/ROOMS

Rooms	64 rooms
Non-residential Square Footage	17,274

ANALYSIS

Rooms	37 rooms covered by room-for-room or transfer
	27 rooms covered by NR sq.ft. = 8,937sq.ft.
Non-residential Square Footage	26,589 – 17,274 (common & commercial sq.ft.)
	– <u>8,937</u> (27 rooms at 331 sq.ft.)
	= <u>378</u> (remaining NR sq.ft.)

TEDR

Rooms	59 to Area B
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**ENTRADA
MEASURE E ANALYSIS**

March 4, 2013

Area B

AVAILABLE EXISTING SQUARE FOOTAGE/ROOMS

Rooms	0
Non-residential Square Footage	
Existing	12,600
0.25 lot area for 1 vacant lot	2,251
1,000 sq. ft. minor addition x 3 lots	3,000
	17,851

REQUIRED SQUARE FOOTAGE/ROOMS

Rooms	59 rooms
Non-residential Square Footage	12,948

ANALYSIS

Rooms	59 rooms covered by room-for-room TEDR <u>from</u> Area A
Non-residential Square Footage	17,851– 12,948 (common & commercial sq.ft.) = 4,903 (remaining NR sq.ft.)

TEDR

Rooms	59 <u>from</u> Area A
Non-residential Square Footage	4,903 <u>to</u> Area A

**ENTRADA
MEASURE E ANALYSIS**

March 14, 2013

Area C

AVAILABLE EXISTING SQUARE FOOTAGE/ROOMS

Rooms	0
Non-residential Square Footage	
Existing	12,670
0.25 lot area for 1 vacant lot	2,501
1,000 sq. ft. minor addition x 5 lots	5,000
	20,171

REQUIRED SQUARE FOOTAGE/ROOMS

Rooms	0 rooms
Non-residential Square Footage	16,183 ¹

ANALYSIS

Rooms	0 rooms
Non-residential Square Footage	20,171 – 16,183 (common & commercial sq.ft.) = 3,988 (remaining NR sq.ft.)

TEDR

Non-residential Square Footage	3,988 sq.ft. <u>to Area A</u>
---------------------------------------	-------------------------------

¹ The square footage for the Visitor Information Center is to be provided by the City/Redevelopment Agency as Community Priority square footage and is, therefore, not included in this analysis.

**SETBACK ANALYSIS
PREVIOUSLY APPROVED VS. PROPOSED**

	REQUIRED SETBACK AREA	APPROVED ENCROACHMENT	NEW BUILDING ENCROACHMENT WITHIN REQUIRED SETBACK AREA					
Area A		Original	Last SCD	Variance	%	Revised SCD	Variance	%
Street Level	1,168 sf	629 sf	857 sf	228 sf	36%	739 sf	110 sf	17%
Second Level	1,168 sf	718 sf	647 sf	-71 sf	-10%	585 sf	-133 sf	-19%
Third Level	1,168 sf	649 sf	743 sf	94 sf	14%	585 sf	-64 sf	-10%
Subtotal	3,504 sf	1,996 sf	2,247 sf	251 sf	13%	1,909 sf	-87 sf	-4%
Area B		Original	Last SCD	Variance	%	Revised SCD	Variance	%
Street Level	8,040 sf	3,439 sf	4,719 sf	1,280 sf	37%	3,866 sf	427 sf	12%
Second Level	9,701 sf	4,225 sf	5,079 sf	854 sf	20%	4,620 sf	395 sf	9%
Third Level	9,701 sf	1,617 sf	1,677 sf	60 sf	4%	2,304 sf	687 sf	42%
Subtotal	27,442 sf	9,281 sf	11,475 sf	2,194 sf	24%	10,790 sf	1,509 sf	16%
Area C		Original	Last SCD	Variance	%	Revised SCD	Variance	%
Street Level	13,655 sf	6,214 sf	6,564 sf	350 sf	6%	6,945 sf	731 sf	12%
Second Level	13,655 sf	4,196 sf	3,781 sf	-415 sf	-10%	3,550 sf	-646 sf	-15%
Third Level	13,655 sf	3,985 sf	1,428 sf	-2,557 sf	-64%	734 sf	-3,251 sf	-82%
Subtotal	40,965 sf	14,395 sf	11,773 sf	-2,622 sf	-18%	11,229 sf	-3,166 sf	-22%
Total		Original	Last SCD	Variance	%	Revised SCD	Variance	%
Street Level	22,863 sf	10,282 sf	12,140 sf	1,858 sf	18%	11,550 sf	1,586 sf	15%
Second Level	24,524 sf	9,139 sf	9,507 sf	368 sf	4%	8,755 sf	226 sf	2%
Third Level	24,524 sf	6,251 sf	3,848 sf	-2,403 sf	-38%	3,623 sf	-2,499 sf	-40%
Total	71,911 sf	25,672 sf	25,495 sf	-177 sf	-1%	23,928 sf	-1,744 sf	-7%

RECEIVED
MAR 08 2013

CITY OF SANTA BARBARA
PLANNING DIVISION

Entrada de Santa Barbara
Setback Encroachment Analysis

RECEIVED

MAR 08 2013

CITY OF SANTA BARBARA
PLANNING DIVISION

20 ft Setback Line

Encroachment Area

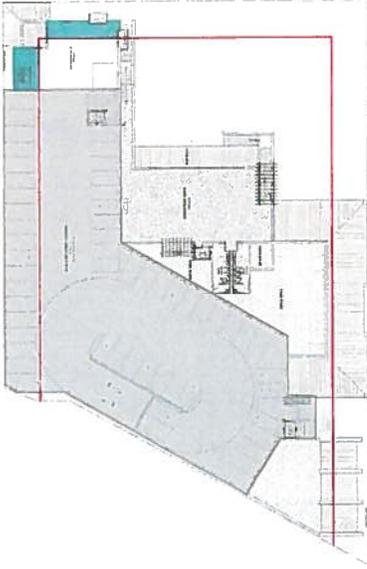
Garage Area

Historic Building Area

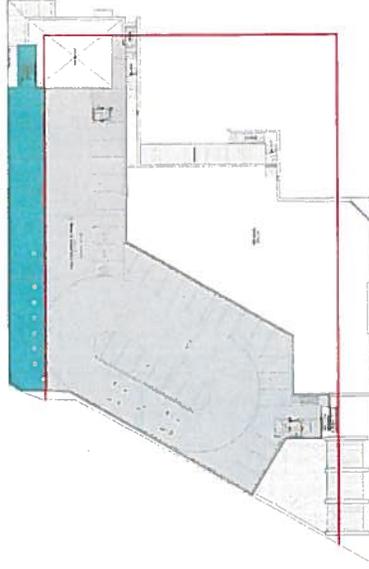
Open Area

SETBACK ANALYSIS

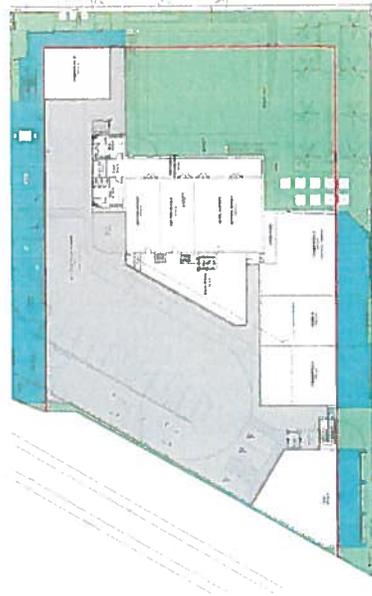
DATE: 03/07/13
BY: [Signature]



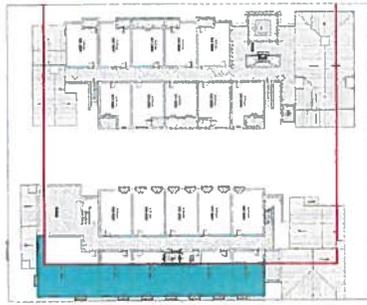
Area C - 3rd Flr/ Rooftop



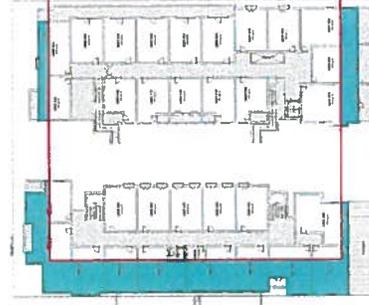
Area C - 2nd Flr



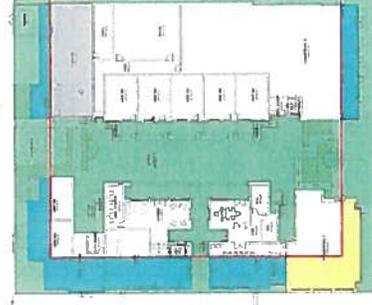
Area C - 1st Flr



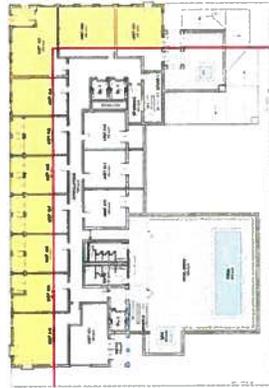
Area B - 3rd Flr



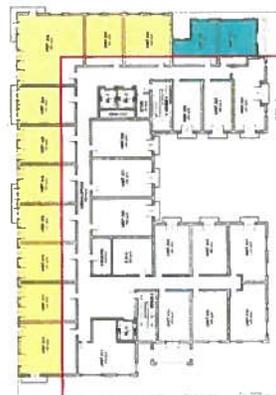
Area B - 2nd Flr



Area B - 1st Flr



Area A - 4th Flr



Area A - 2nd & 3rd Flr



Area A - 1st Flr

ENTRADA de SANTA BARBARA - AREA A, B, and C

Santa Barbara, CA

SCD CITY SUBMITTAL
March 6, 2013

Area C - 1st Flr
Design A/C



City of Santa Barbara

City Administrator's Office

www.SantaBarbaraCA.gov

March 3, 2010

Administration

Tel: 805.564.5305

Fax: 805.897.1993

City TV - Channel 18

Tel: 805.564.5311

Fax: 805.564.5556

MF Santa Barbara, LLC

Attn: Arthur Nevid, Managing Director of Onvestment and Lending
13860 Ballantyne Corporate Plaza, Suite 130
Charlotte, NC 28277

RE: Substantial Conformance Determination – Entrada de Santa Barbara Project

City Hall

735 Anacapa St.

Santa Barbara, CA

93101

PO Box 1990

Santa Barbara, CA

93102-1990

Dear Mr. Nevid:

This letter is in response to your letter dated February 26, 2010, wherein you outline your most important concerns with respect to the City's proposed Conditions of Approval for the Entrada de Santa Barbara Substantial Conformance Determination (SCD).

We have considered your issues, and offer the following responses:

1. HLC Preliminary Approval. The City is not willing to extend the September 30, 2010, date for completion of preliminary design review. Your submitted project schedule indicated that preliminary design approval would be obtained by July 2, 2010, assuming a January 1st SCD approval. This represents six months of design review. The current deadline of September 30, 2010 is more than six months away. Additionally, we have had a deal in principle since before January 1, 2010, and your applicant team was put on notice that the compliance dates would not be "moved-out" based on when the final SCD was issued. Specifically, on January 26, 2010, your applicant team was advised to proceed with HLC review as we worked through finalizing the SCD.

2. Public Improvements/Garage Certificates of Occupancy. We have revised the SCD to clarify that occupancy of the Area C garage will not be dependent on completion of public improvements. Occupancy of Area C will be subject to the issuance of a final Certificate of Occupancy by the City's Building and Safety Division in accordance with the City's Uniform Building Code.

3. Commencement of Construction on Areas A and B. While we are amenable to staggering the commencement of construction for these two Areas, please be aware that it will not push out the final completion date. The dates identified for construction were based on a worst-case assumption, and permits for either area could be pulled earlier in order to start construction of one site prior to the other. The SCD has been amended accordingly.

4. Public Improvements. We cannot agree to make any change to this condition.

EXHIBIT D

MF Santa Barbara C

RE: Substantial Conformance Determination – Entrada de Santa Barbara Project

March 3, 2010

Page 2

5. Tolling Public Improvements for Litigation. This change is acceptable so long as it is only applicable to the initial six month period after the SCD approval. We have revised the SCD to reflect this requirement.

We hope that you understand our position on these issues; despite the difficult economic environment, we believe that some real progress towards construction of this Project needs to be apparent soon.

Enclosed is a revised Entrada Project Substantial Conformance Determination Conditions of Approval ("Agreement"). This Agreement must be executed by MF Santa Barbara within ten days. Upon receipt of the executed Agreement and deposit of the required fees/deposits (as outlined below), I will issue the formal written City SCD.

Required payment/deposits prior to issuance of SCD (separate checks required):

Fee to Prepare Addendum.....	\$6,400.00
Deposit for Area C Restoration/Area A Obligations.....	\$500,000.00
Deposit for Site Maintenance.....	\$20,000.00

If you have any questions, please let me know.

Sincerely,



James L. Armstrong
City Administrator

Enc. Entrada Project Substantial Conformance Determination Conditions of Approval

cc: Stephen P. Wiley, City Attorney
Bettie Weiss, City Planner
Pat Kelly, City Engineer
Debra Andaloro, Senior Planner II
Allison De Busk, Project Planner
George Estrella, Chief Building Official
Joe Poire, Fire Marshall
John Ewasiuk, Principal Engineer
Mark Wilde, Supervising Engineer
Ken Marshall, Dudek
Douglas Fell, esq.
Melissa Cinarli, Design ARC, Inc.

Entrada Project

Substantial Conformance Determination Conditions of Approval.

1. The Entrada Project Design Review and Construction Schedule. The Applicant will comply with the Entrada Project Schedule and Construction Milestones (attached hereto as Exhibit A) for completion of Project design approvals, Project plan submittals, and Project construction (design review, building plan check submittal, building permit issuance, construction milestones, etc.) as shown on that schedule and specifically as follows:

A. Preliminary Design Review by HLC. Preliminary design review approvals for all three Project Areas will be obtained from the City Historic Landmarks Commission (the "HLC") by September 30, 2010. The Applicant will work diligently with City staff, the HLC, and any designated HLC subcommittee in order to explore any HLC Project design concerns and possible solutions. The September 30, 2010, date for HLC Preliminary Design approval will be extended by the City Administrator for a period of up to ninety (90) days if, in his discretion, he determines that the Applicant has been working in good faith with the HLC and City staff in order to obtain the preliminary approval of each Project Area. Good faith shall mean that the Applicant and the Applicant's architects are being prompt and responsive to the HLC design comments and requests and the Applicant and their architects have been meeting with the HLC (or an HLC subcommittee) on a regular basis, such as at least one meeting per month. The September 30, 2010, date may also be extended by the City Administrator in the event of an appeal to the City Council of any HLC decision either granting or denying preliminary approval to the Project for the period of time during which an appeal to the City Council is pending.

Project Area B – Mass, Bulk and Scale. The Applicant shall work with the HLC to address mass and scale issues, particularly related to Area B, along Mason and Helena Streets. The project shall not encroach further into required setbacks than that which was depicted in the SCD project presented to the Planning Commission and HLC in October 2009.

B. Final Design Review Approval by HLC. The Applicant will obtain Final HLC design review and approval for the Project within the period of time identified as the date for completion of the "Construction Documents" on the Project construction schedule attached hereto as Exhibit A.

C. Area C Excavation and Shoring Work Permit. The Applicant will obtain a City foundation and excavation permit for the Project Area C foundation, shoring, and excavation work required for the subsurface parking/foundation structure designed as part of the Area C improvements within 210 days of the issuance of the preliminary design approval for the Project by the HLC (or City Council) and Applicant shall commence such excavation, shoring, and foundation work within thirty (30) days of the receipt of the Area C foundation and excavation permit.

D. Issuance of Project Area C Building Permit. The Applicant will obtain a Building Permit for all Area C improvements within fourteen (14) months of the issuance of the HLC (or City Council) preliminary design approval for Area C (i.e., by November 30, 2011.)

E. Project Area C Subsurface Construction Work. The Applicant shall complete all Area C subsurface construction work within ten (10) months of issuance of the Area C Building Permit required by subsection D above. (i.e., by September 30, 2012.)

F. Project Area A and B Construction Progress. The Applicants shall obtain City building permits for either Area A or Area B by November 30, 2012 and for the remaining Area by February 28, 2013. The Applicant shall commence construction on those Areas within one month of respective building permit issuance and diligently complete such construction in a timely manner thereafter. Construction of the entire Project shall be completed by June 30, 2014.

G. Tolling of Deadline in the Event of Litigation. The Project Design and Construction deadlines identified above will be considered tolled by the City under the following circumstances:

1. for the period of time during which any litigation challenging the City's issuance of its Substantial Conformance Determination for the Project has been initiated by a third-party and is pending; or
2. for the period of time it takes for a voter referendum on the Project to be submitted to the voters of the City.

2. Entrada Project Related Public Improvements on State Street. The Applicant will undertake and complete those Project public right-of-way improvements which are required by the City as conditions of the Project [and originally scheduled for construction in March 2010 under the current Land Development Agreement between the City and the Applicant (as recorded on April 16, 2009 in the official records of Santa Barbara County as Document No. 2009-0021170) in accordance with the following revised construction schedule:

A. Stage 1 Public Improvements – State Street West Side Improvements. The Applicant shall commence construction of that portion of the Project's State Street sidewalk and right-of-way improvements as required as part of the Project approval for the west side of State Street (and as depicted in the exhibit attached hereto as Exhibit B "State Street West Side Improvement Plan) by March 30, 2011 and complete such public improvements to the satisfaction of the City Engineer within 210 days of the date construction is commenced or November 30, 2011 whichever is sooner.

B. Stage 2 Public Improvements – State Street East Side Improvements. The Applicant shall commence construction of that portion of the Project's State Street sidewalk and right-of-way improvements adjacent to the east side of State Street at Project Area C (from the U.P. railroad tracks to Mason Street – as depicted in the attached Exhibit C (the "State Street East Side Initial

Improvements”) in a manner acceptable to the City Engineer upon issuance of the City building permit for construction of the Area C parking structure. These right-of-way improvements shall include the new alignment of the State Street curb and gutter, and portions of the permanent sidewalk, and will be completed within 90 days of commencement of construction. These improvements may include a temporary sidewalk, construction fencing, and temporary landscaping for use during construction of Project Area C, as determined appropriate by the City Engineer.

C. Stage 3 Public Improvements – Remaining Required Public Improvements. The Applicant shall commence construction of all remaining Project public improvements (i.e., generally those along east and west Mason Street and along Helena Street) in conjunction with the issuance of building permits for Project Area B and shall complete construction of such public improvement concurrent with the completion of construction of the Area B Project improvements.

D. The time period during which construction of the Public Improvements is required shall be extended for the period of time during which litigation initiated by a third party has been filed challenging the City’s issuance of the SCD and remains pending provided such litigation is initiated within six months of the City’s approval of the SCD.

3. Revised Scope of Public Improvements. In connection with the public right-of-way improvements described in Section 2 above, the Applicant shall also construct the those right-of-way and sidewalk improvements on the east and west side of State Street between the southerly boundary of the Project and the Mission Creek Bridge at State Street south to Cabrillo Boulevard as shown on the attached Exhibit D (the “Additional Right-of-Way Improvements.”)

4. Completion and City Acceptance of Improvements. All public right-of-way and sidewalk improvements must be completed and certified in writing as accepted by the City Engineer prior to issuance of a final Certificate of Occupancy for the Project. A final certificate of occupancy may be issued for the Area C improvements upon completion of those improvements in accordance with the requirements of the City’s Uniform Building Code without regard to the completion of the required Public Improvements.

5. Entrada Project Area C - Temporary Landscaping Improvements. The Project’s Area C shall be cleaned-up, landscaped, and maintained in accordance with the “Area C - Temporary Landscape & Beautification Plan” (as described and depicted in the attached Exhibit E) within ninety (90) days of the issuance of the Substantial Conformance Determination. Said Beautification shall remain in place and be properly maintained until such time as construction of the foundation, shoring, and excavation work required for the subsurface parking/foundation structure on Area C commences.

6. Obligation to Restore Project Area C and Security for Area C Restoration Work.

In the event the Applicant fails to complete the City’s HLC design review process in a timely manner as required herein or in the event the Applicant fails to obtain building

permits and diligently undertake, pursue, and complete construction of the Project or the required Public Improvements in accordance with the time periods required herein, the Applicant will restore and re-landscape Area C in the manner described in the attached Exhibit F - the "Area C Restoration and Landscaping Plan" within sixty (60) days of the date of written notification from the City to the Applicant demanding such restoration.

In order to secure the Applicant's obligation to Restore Area C and to seismically secure the California Hotel [pursuant to Section 7(c) hereof], if necessary, in order to allow the City to undertake such restoration work on its own upon the Applicant's failure to do so as required, concurrent with the issuance of the City's Substantial Conformance Determination, the Applicant will deposit cash in the amount of \$500,000 with the City which deposit shall be held by the City in an interest bearing account at a variable interest rate equivalent to that paid to the City for its funds deposited in the State "LAIF" account pursuant to state law.

Upon the Applicant's failure to restore Area C as and when required by this SCD agreement, the City may notify the Applicant in writing of its obligation to restore Project Area C and that, upon the expiration of a period of thirty (30) days and the Applicant failure to restore Area C as required, the City will utilize the funds deposited with the City for the purpose of paying a private contractor to immediately restore Area C in the manner described in Exhibit F. Any deposited funds remaining upon the City implementation and completion of the Area C Restoration shall be returned to the Applicant with appropriate pro-rated interest.

7. Seismically Securing the Californian Hotel (Area A) and Security for the Applicant's Obligations Regarding the Californian Hotel.

A. Structural and Demolition Report for the Californian Hotel. The Applicant understands and acknowledges that the current condition of the Californian Hotel building represents a public health and safety concern due to the building's lack of seismic integrity and its deteriorated and derelict condition as such condition is described in the City's Notice and Order prepared by George Estrella, Chief Building Official, and Joe Poire, City Fire Marshall, dated December 7, 2009, as revised on February 3, 2010. As a result, the Applicant understands and acknowledges that it must undertake immediate remedial action in the manner required by the City Building and Fire Officials in order to secure the Californian Hotel building for public safety purposes and to address its derelict appearance and conditions or to demolish the building.

Consequently, as part of the City's SCD determination, the Applicant agrees to provide the City with a structural engineer's (or other appropriate professional's) evaluation and estimate for seismically securing the Californian Hotel building in the manner described in the City Revised Notice and Order dated February 3, 2010 or by undertaking the immediate demolition of the building, including the removal and disposal of all debris and any possible hazardous materials.

B. Obligation to Secure the Californian Hotel. Within One Hundred Eighty (180) days of the issuance of the City's SCD, the Applicant will immediately undertake the work recommended by the structural engineer's report for Californian Hotel as approved by the City's Building Official in a manner which

complies with the City's Notice and Order – all in a manner acceptable to the City Building and Fire Officials. This seismic repair work or demolition obligation and this compliance schedule shall be incorporated into a revised stipulated judgment in the code enforcement litigation entitled *City of Santa Barbara v. Hotel Properties and State Street Investments* (Santa Barbara Superior Court Case No. 225063) entered on November 9, 1998, which judgment expressly provides for a seismic retrofit of the Californian Hotel and that it may be enforced by the City.

C. Failure to Secure the Californian Hotel – Security for Necessary Work.

Should the Applicant fail to seismically retrofit or demolish the Californian Hotel in the manner and when required by this agreement, the City may use its authority under the court judgment to either retrofit or demolish the Californian Hotel, and may utilize the \$500,000 cash security deposited with the City in order to pay for the costs of retrofitting or demolishing the Californian Hotel, returning the balance of any security (if any) to the Applicant with appropriate pro-rated interest.

D. Return of Security Deposit. Should the Applicant duly comply with the requirements described herein with respect to the Californian Hotel and with respect to Area C within the time periods required and to the satisfaction of City Building and Fire Officials, the City shall return the deposited cash funds to the Applicant along with all interest earned on said funds.

8. Regular Project Site Maintenance and Clean-Up.

A. Regular and On-Going Maintenance Requirements for Area A – Californian Hotel. Within 30 days of the issuance of the City's SCD, the Applicant must have the south (beach) side of the Californian Hotel building painted in a color and manner approved by the Community Development Director (or his designee) and the Applicant will install approved landscaping behind the wrought iron fencing on the State Street frontage of the Californian Hotel building.

B. Project Property Caretaker and Maintenance. The Applicant must also retain a property caretaker for the on-going, daily site maintenance of all Project area landscaping and buildings including any aesthetic treatments and any appropriate lighting installed for safety purposes. All Project Areas shall be routinely maintained in an attractive state, similar to that of the 400 block of State Street as it is presently maintained by the Santa Barbara Downtown Organization. This maintenance shall include the sweeping of sidewalks, regular landscape maintenance and irrigation, lighting and any other aesthetic treatments identified as appropriate for the Project area.

C. Security for Maintenance of Project Area. Concurrent with the issuance of the SCD, the Applicant shall deposit and maintain at all times a separate cash deposit with the City in the amount of \$20,000 to be used by the City to contract with the Downtown Organization to perform maintenance/clean-up or graffiti removal at the site should the Applicant or its caretaker fail to maintain the site in an attractive manner as required by the SCD and as determined necessary by the City Community Development Director. The City may also elect to utilize its

Public Works Graffiti Abatement staff to remove graffiti from the Project Area buildings and the City may be reimbursed for their time and for the use of the City graffiti abatement staff and equipment in removing graffiti from the \$20,000 cash deposit in the manner typically charged private property owners by the City for such work.

9. Application of Latest Version of Building Code. The Project shall comply with the most recently adopted version of the City's Building Code, determined at time of building permit submittal.

10. Stormwater Management. The Project shall be subject to the City's current Stormwater Management Plan.

11. Force Majeur Delays. The timeframe for compliance by the Applicant with the deadlines contained herein shall be excused for the period of time a force majeure prevents the Applicant's ability to comply with any of these conditions or periods of compliance. For the purposes of these conditions, "force majeure" shall mean when the applicant is delayed or prevented from the performance of any act required by these conditions by reason of war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of the public enemy; epidemics; quarantine restrictions; freight embargoes; lack of transportation; unusually severe weather; inability to secure necessary labor, materials or tools; or any other similar casualty causes, without fault and beyond the reasonable control of the Applicant.

12. Updated Project Agreements. The City and the Applicant shall review and revise and update all affected Project agreements which will remain in effect as determined to be necessary and appropriate in accordance with the SCD.

13. Prior Project Approvals and Building Permits. Upon granting of the SCD and execution of the SCD agreement and the Revised Stipulated Judgment, the existing City building permit(s) for Area C will be deemed cancelled and revoked.

14. Agreement Controlling. In the event of any conflict or inconsistency between the terms, conditions, and covenants of this Substantial Conformance Determination Conditions of Approval Agreement and the Schedule attached hereto as Exhibit A, the terms, conditions, and covenants of these SCD Conditions of Approval shall be controlling.

15. Notices. Any and all written notices which are required to be delivered to the Applicant or the City shall be deemed properly delivered when mailed via regular mail postage prepaid to the following addresses:

CITY OF SANTA BARBARA
A Municipal Corporation

MF Santa Barbara, LLC
Mountain Funding, LLC

James Armstrong,
City Administrator

By: _____
Signature

ATTEST:

Type or Print Name

Cynthia M. Rodriguez, CMC
City Clerk Services Manager

Title

APPROVED AS TO CONTENT:

Address

Bettie Weiss
City Planner

City State Zip

Telephone Number

Attachments: Exhibits A-F

Exhibit B

State Street West Side Improvement Plan

The State Street West Side Improvement Plan shall be the entire western half of State Street shown on the approved Public Works drawing number C-1-4115 with the additional completion of work on the West Side of State Street from the line labeled "end of project" to the Mission Creek bridge.

At the intersection of Mason Street and State Street, both side of the Western half of the intersection shall be completed to at least the "b/c" point on the curb, gutter and sidewalk including the sidewalk access ramps.

Detailed elements shall include Items #1 to #48 of the accepted Preliminary Statement of Probable Cost dated 11-8-05 titled State Street Improvements and related notes on the approved Public Works drawing number C-1-4115.

The intent of the State Street West Side Improvement Plan is to provide a complete, useable and safe route for the pedestrian and vehicular traffic connecting traffic from Cabrillo Boulevard to the 400 Block of State Street.

Exhibit C

State Street East Side Initial Improvements

The State Street East Side Initial Improvements shall be the entire eastern half of State Street as shown on approved Public Works drawing number C-1-4115 from the intersection of Mason Street to the Union Pacific Railroad.

Detailed elements shall include Items #1 to #48 of the accepted Preliminary Statement of Probable Cost dated 11-8-05 titled State Street Improvements and related notes on the approved Public Works drawing number C-1-4115.

At the intersection of Mason Street and State Street, both sides of the eastern half of the intersection shall be completed to at least the "b/c" point on the curb, gutter and sidewalk including the sidewalk access ramps.

The intent of the State Street East Initial Improvements is to provide a complete, useable and safe route for the pedestrian and vehicular traffic connecting traffic from Mason Street to the 400 Block of State Street.

Exhibit D

Additional Right-of-Way Improvements

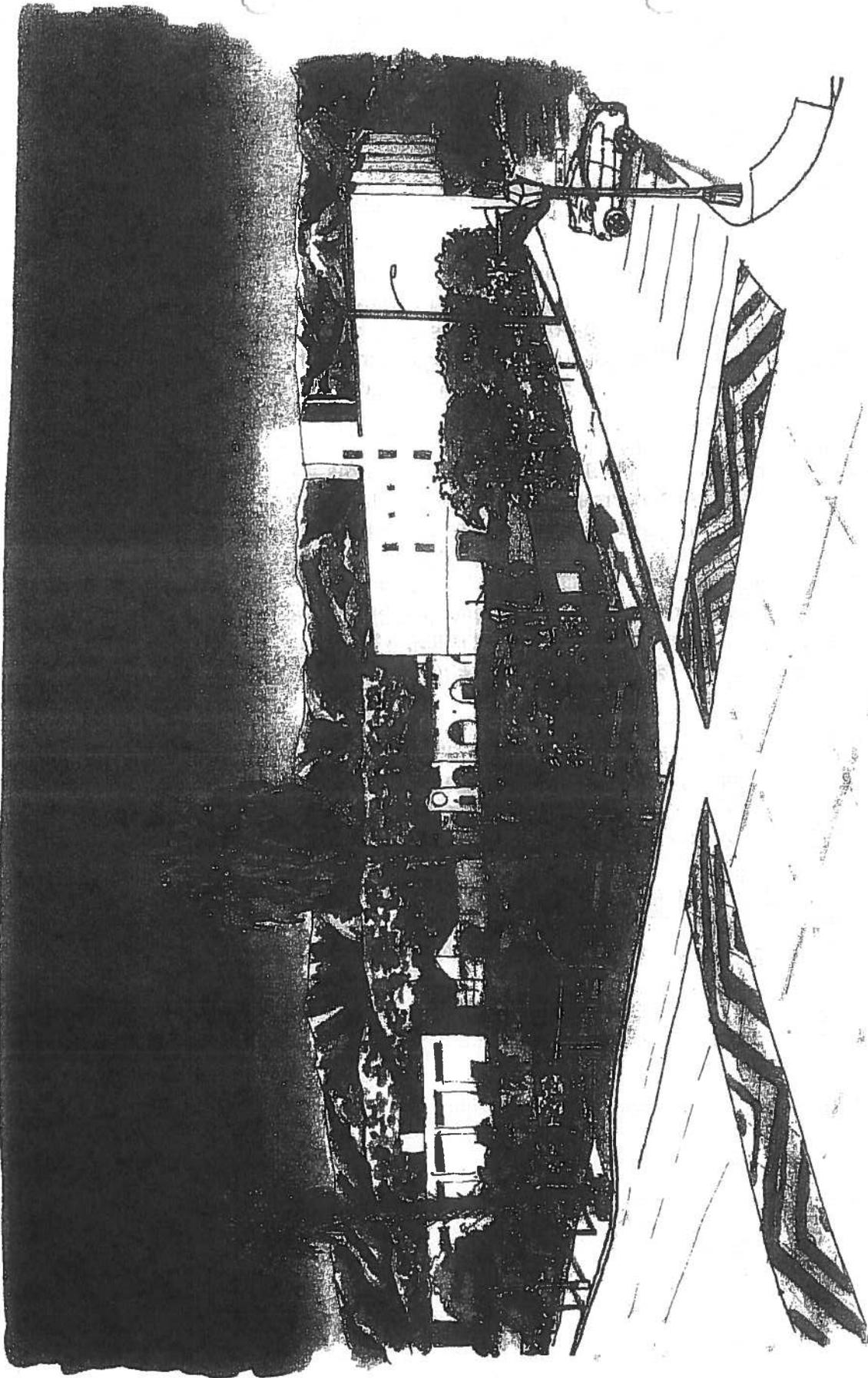
The Additional Right-of-Way Improvements shall be the entire eastern half of State Street as shown on approved Public Works drawing number C-1-4115 from the intersection of Mason Street to the Mission Creek Bridge and all remaining improvements for the 00 Block of West Mason Street and the 00 Block of East Mason Street; the 00 Block of Helena Avenue and the 100 Block of Helena Avenue.

Detailed elements for State Street shall include Items #1 to #48 of the accepted Preliminary Statement of Probable Cost dated 11-8-05 titled State Street Improvements and related notes on the approved Public Works drawing number C-1-4115.

Detailed elements for Mason Street shall include Items #1 to #35 of the accepted Preliminary Statement of Probable Cost dated 11-8-05 titled Mason Street Improvements and related notes on the approved Public Works drawing number C-1-4115.

Detailed elements for Helena Avenue shall include Items #1 to #33 of the accepted Preliminary Statement of Probable Cost dated 11-8-05 titled Helena Street (Avenue) Improvements and related notes on the approved Public Works drawing number C-1-4115.

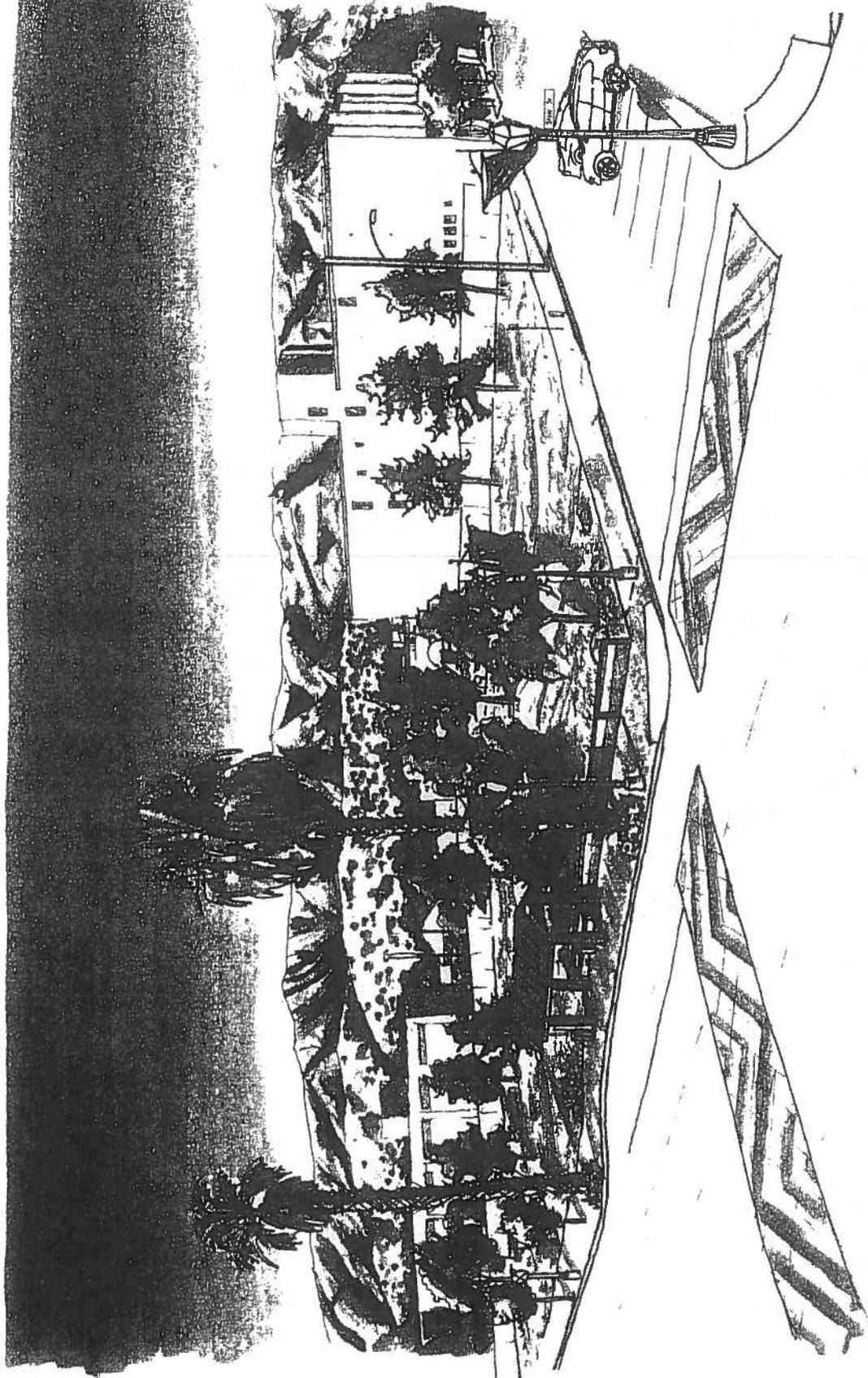
The intent of the Additional Right-of-Way Improvements is to provide a complete, useable and safe route for the pedestrian and vehicular traffic connecting traffic from Cabrillo Boulevard to the 400 Block of State Street.



Entrada de Santa Barbara Area C

Scheme 2: 10' Planting on State Street

Suding Design Landscape Architects



Entrada de Santa Barbara Area C

Scheme 3: Fill in Excavation and Plant with Fescue and Sycamore
Sudhig Design Landscape Architects

**FIRST AMENDMENT TO THE MARCH 2010 ENTRADA PROJECT
SUBSTANTIAL CONFORMANCE DETERMINATION CONDITIONS OF
APPROVAL BY AND BETWEEN THE APPLICANT/PROPERTY OWNERS
AND THE CITY OF SANTA BARBARA**

RECITALS

A. In March of 2010, the City of Santa Barbara issued a Substantial Conformance Determination with respect to the Entrada de Santa Barbara Project at the request of MF Santa Barbara, LLC (“MFSB”) (the “Entrada SCD”), the then owner and long-term leasehold tenant of the real property which forms the basis of an approved hotel and retail development project known as the Entrada de Santa Barbara Project submitted to and approved by the City under City Master Development Application No. 97-0367 and a copy of the March 2010 Entrada SCD is attached hereto as Exhibit “A” and by this reference fully incorporated herein.

B. Following the issuance of the Entrada SCD in March of 2010, MFSB caused the following issues to be addressed and work to be accomplished as required by the Entrada SCD – all in a manner acceptable to the City:

1. MFSB secured the Project Design Approvals for all three Project Areas (Areas A, B, and C) from the City’s Historic Landmarks Commission (the “HLC.”) These Project Design Approvals were secured from the HLC on the following dates:

- Area A - April 28, 2010
- Area B – June 24, 2010
- Area C – September 1, 2010

2. MFSB also proceeded to comply with the Area C – Temporary Landscape and Beautification Plan as described in and required by the Entrada SCD.

3. MFSB, as required by the SCD, has utilized the services of the consulting engineering firm of Taylor & Syfan and proceeded in good faith to secure a comprehensive seismic safety evaluation and seismic safety analysis of the work which may be necessary in order to appropriately seismically secure the Californian Hotel located on Area A of the Entrada Project all in a manner acceptable to the City’s Chief Building Official.

4. MFSB has also substantially complied with the SCD requirements for regular Entrada Project site maintenance and clean-up, such as the prompt removal of graffiti and weeds.

C. MFSB has determined that, in order to now accomplish the financing and construction of the Entrada Project in a timely fashion, it is advisable and necessary to transfer ownership of the Entrada Project real property and entitlements to a financially qualified hotel development entity known as 35 State Street Hotel Partners, LLC (a Delaware limited liability company – hereinafter “35 State Street”) with 35 State Street now assuming the responsibility for

compliance with the remaining terms and conditions of the Entrada SCD as amended by this Amendment (hereinafter the "1st Amended Entrada SCD") and take those steps necessary to begin construction of the Entrada Project in a timely fashion as required herein.

D. In light of the foregoing, 35 State has determined that it needs additional time to comply with the remaining requirements of the Entrada SCD as provided for herein and the City has agreed that such additional time appears to be appropriate and necessary.

Now therefore, based on the above-stated recitals, the City and MFSB, Inc and 35 State Street agree and covenant as follows:

A. AMENDMENTS TO THE MARCH 2010 SUBSTANTIAL CONFORMANCE DETERMINATION:

The March 2010 Substantial Conformance Determination issued by the City for the Entrada Project shall be amended as follows:

1. ENTRADA PROJECT CONSTRUCTION SCHEDULE.

Exhibit "A" to the Entrada SCD, which set forth the Entrada Project schedule and construction milestones, shall, by this amendment, be revised as follows:

A. The HLC Preliminary Design Review Approvals obtained for the Entrada Project (and referred to as the "Project Design Approval" now in accordance SBMC Section 22.22.180 – and listed in Recital B1 above) shall not be hereinafter amended or changed since those Approvals have been secured as recited above.

B. The required outside date for obtaining the Final Design Review Approval by the HLC (which is identified as the date for completion of the "Construction Documents") for each of the three Entrada Project Areas shall, by this amendment, be extended by 24 months.

C. The required outside date for the Entrada Area C excavation and shoring work permit for the Area C foundation structure shall, by this amendment, each be extended for 24 months.

D. The required outside date for the issuance of the Entrada Area C Building Permit for all Area C improvements shall, by this amendment, be extended for 24 months.

E. The required outside date for the issuance of the Area A and Area B Building Permit and for the remaining area Building Permit shall, by this amendment, be extended for 24 months.

F. The final date for commencement of construction of the Stage 1 Public Improvements shall, by this amendment, be extended for 18 months.

G. The final date for commencement of construction of the Stage 2 Public Improvements shall, by this amendment, be extended for 18 months.

H. The final date for completion of the Stage 3 Public Improvements shall not be changed.

2. COMPLETION OF THE SEISMIC WORK ON THE CALIFORNIAN HOTEL.

I. Seismic Retrofit Schedule. Notwithstanding the March 2010 Entrada SCD, 35 State Street shall undertake and complete the seismic safety retrofit work for the Californian Hotel, as described in the Taylor & Syfan Reports for the Californian Hotel dated October 15, 2010 and November 12, 2010 (as provided to the City) in accordance with the following schedule and in compliance with the following conditions:

A. The seismic safety retrofit work recommended at pages 9 and 10 (as Items 1 – 3) of the October 15, 2010 Part I Taylor & Syfan Report shall be designed submitted to the City for permits and completed by 35 State Street within 180 days of the City's issuance of the required retrofit building permit, subject only to standard and reasonable force majeure delays related to delays caused by strikes, the unavailability of materials, or by adverse weather or similar casualty related reasons.

B. The seismic safety retrofit work options studied and recommended by Taylor & Syfan in their November 12, 2010 Report shall developed into a supplement letter report as a definite retrofit plan and such plan shall be submitted to the City's Chief Building Official within 90 days of the execution of this First Amendment by the City and shall be referred to as the Phase II Retrofit Work.

C. Upon the City Chief Building Official's written approval of the Taylor & Syfan retrofit plan required by subparagraph B above for the Phase II Retrofit Work, 35 State Street shall cause properly engineered and complete plans and specification for the construction of the approved retrofit plan for the Phase II Retrofit Work to be submitted to the City for the issuance of the necessary City building permit for the retrofit work within 120 days of the City's Chief Building Official approval of the supplemental letter report for the Phase II Retrofit Work by Taylor & Syfan.

D. Upon submission of the required plans and specifications as required above, the City's Chief Building Official shall provide all plan check corrections and comments on such plans to 35 State Street as expeditiously as possible. Upon receipt of any City plan check corrections, 35 State Street shall re-submit the required plan corrections within 21 days of its receipt of any City plan check corrections until the plans are sufficient, in the determination of the Chief Building Official, for the issuance of a City building permit. When the Phase II Retro Work plans have been deemed sufficient for the issuance of a retrofit building permit by the City's Chief Building Official in writing, 35 State Street shall pay the required City building permit fees and obtain a building permit for the Phase II Retrofit Work within 14 days of the Chief Building Official's written determination that the plans are sufficient.

E. All seismic safety retrofit work called for by the Taylor & Syfan Report of November 12, 2010 as supplemented by the required supplemental letter report and as permitted by the City shall be completed within 180 days of the City's issuance of the required retrofit building permit, subject only to standard and reasonable force majeure delays related to delays caused by strikes, the unavailability of materials, or by adverse weather or similar casualty related reasons.

Within twenty (20) days of the execution of this First Amendment, the terms of this First Amendment relating to the necessary seismic retrofit of the Californian Hotel shall also be incorporated into a stipulation for judgment by and between the City and 35 State Street and a revised "proposed" Santa Barbara Superior Court judgment based on the stipulation for judgment – which proposed judgment shall be held by the City and not filed with Superior Court unless and until the City, in the exercise of reasonable good faith judgment, determines that 35 State Street has failed to abide by the seismic retrofit schedule contained herein.

If need be, this stipulated judgment will substitute for the original judgment filed in the case of Santa Barbara Superior Court Case No. 225063 on November 9, 1998 by the City and defendants Hotel Properties, a general partnership, and State Street Investments, a general partnership (as the former owners of the Project real property) which action the City shall dismiss, without prejudice, within twenty (20) days of the execution of this First Amended SCD.

II. Access to Funds on Deposit for the Cost of the Seismic Remediation. Pursuant to the March 2010 SCD, there is on deposit with the City the sum of \$500,000 to cover the potential costs of demolition of the Californian Hotel (Area A) or the remediation of the "hole in the ground" currently on Entrada Area C. The City and 35 State Street agree and acknowledge that, if the seismic work on Area A (as described in Section 2I above) proceeds pursuant hereto on a timely basis and as required, 35 State Street may request and may receive reimbursement for the actual hard construction retrofit costs incurred by it in the seismic remediation of the Californian Hotel in the amount not to exceed \$250,000 or half of the amount on deposit with the City.

In addition, the City will, in good faith, consider increasing the retrofit reimbursement amount (as allowed in the paragraph above) to an additional amount equal to \$250,000 less the cost of fully remediating the Area C hole in the ground as demonstrated to the City by a cost-estimate for remediating the "hole in the ground" prepared by a local general contractor acceptable to the City. [Remediation for the purposes of this provision shall be defined as filling the hole in to a point where is it generally level with the adjacent level of State Street such that it does not require a fence to protect the public from a safety hazard and to include the cost of simple low-maintenance and temporary landscaping of Area C all in a manner acceptable to the City acting in good faith.

3. ENTRADA SITE MAINTENANCE PRIOR TO CONSTRUCTION.

The Entrada sites (Area A, B and C) shall be maintained in accordance with the criteria described in Exhibit "B" hereto and the remaining applicable provisions of the March 2010 SCD. Once construction has commenced on a specific Entrada area or public improvement, the

maintenance obligation for that area or for that area or public improvement shall no longer refer to those obligations and the Area may be maintained in a manner typical for a commercial construction site as determined appropriate by the City's Chief Building Official.

The sidewalks adjacent to the Entrada Project areas and the intersection of State and Mason Streets will regularly, when and as requested by City, be power-washed and any "trip hazards" identified by the City will be addressed and remediated as determined appropriate by the City.

4. EFFECTIVE DATE OF THE FIRST AMENDMENT; NONASSIGNMENT.

I. Submission to and Conditioned on Close of Escrow. This First Amended Entrada SCD shall only be effective upon the close of Escrow No. 77403224-TK at the Coast Village Road office of Chicago Title (Trisha Kenny, Escrow Officer), on or before December 31, 2010, or as soon thereafter as MF Santa Barbara, LLC satisfies its conditions precedent to closing but in no event later than March 31, 2011, pursuant to which 35 State Street Hotel Partners, LLC, a Delaware limited liability company, purchases the Property from MF Santa Barbara, LLC, for a cash purchase price with no financing which encumbers the Property.

II. Assignments - Generally. The rights granted by the City under this First Amended Entrada SCD and the March 2010 Entrada SCD may not be assigned by 35 State Street to any entity without the express prior written consent of the City of Santa Barbara which consent may not be unreasonably withheld but which may be conditioned upon the City's determination that any proposed assignee has the financial ability and development experience comparable to that of 35 State Street with respect to fulfilling the obligations contained within this First Amendment and the SCD and the comparable ability to complete the construction of the Entrada Project as it has been approved by the City.

III. Assignments In Connection With A Deed Of Trust. The consent of the City shall not be required for an assignment of the rights granted by the City under this First Amended Entrada SCD and the March 10 Entrada SCD in connection with a transfer of or conveyance of the Property pursuant to a foreclosure or deed in lieu of foreclosure by a holder of a Deed of Trust encumbering 35 State Street's interest in the Property and subsequent conveyance by the purchaser at the foreclosure sale or the recipient of the deed in lieu of foreclosure.

5. ACKNOWLEDGMENT OF THE CONTINUED VALIDITY OF EXISTING CITY DEVELOPMENT ENTITLEMENTS.

The City of Santa Barbara acknowledges and confirms that, based upon the three Preliminary HLC approvals described in recital B1 above, which under SBMC section 22.22.180 and SBMC section 28.87.350 F as amended by City Ordinance No. 5538 (as adopted by the City Council on November 23, 2010), the Entrada development rights evidenced by this 1st Amended Entrada SCD remain valid and vested for a period of three (3) years from their HLC "preliminary design review" approval dates so long as the development rights are exercised in accordance with the Entrada Project schedule set forth herein and the other applicable conditions of this First Amended SCD and the March 2010 SCD.

6. FIRST AMENDED SCD AND MARCH 2010 SCD.

The City and 35 State Street agree that, except as amended by this First Amended SCD, all terms and conditions of the March 2010 Entrada SCD shall remain in full force and effect, and that the provisions of this First Amended SCD shall become a part of the City's overall Substantial Conformance Determination for the Entrada Project as if fully written therein and as provided for in the Santa Barbara Municipal Code and the City Planning Commission Guidelines.

7. COUNTERPARTS AND EXECUTION.

This First Amended SCD may be executed in any number of counterparts and delivered by facsimile or other means of electronic transmission, each such counterpart so delivered being deemed to be an original instrument, and all such counterparts shall together constitute the entire agreement.

IN WITNESS WHEREOF, the parties hereto have executed this First Amended SCD as of the date of the close of Escrow No. 77403224-TK at Chicago Title pursuant to which 35 State Street Partners, LLC acquires the Property.

CITY OF SANTA BARBARA
A Municipal Corporation

35 STATE STREET HOTEL PARTNERS, LLC,
a Delaware limited liability company

James Armstrong, City Administrator

By: _____
Michael Rosenfeld
Its: Manager

1999 AVENUE OF THE STARS, STE 2850

Address
LOS ANGELES CA 90067

City State Zip
(310) 824-7200

Telephone Number

APPROVED AS TO CONTENT:
CITY ATTORNEY

By: _____

Attachments: Exhibits A and B

Present: Steve Harrel, Architect

Public comment opened at 2:52 p.m. and, as no one wished to speak, it was closed.

Motion: **Final Approval with Historic Resource Findings made as follows:** The project will not cause a substantial adverse change in the significance of an historical resource.

Action: Winick/La Voie, 6/0/0. (Sharpe stepped down. Orías/Shallanberger absent.) Motion carried.

**** THE COMMISSION RECESSED FROM 2:53 P.M. TO 3:01 P.M. ****

CONCEPT REVIEW - NEW ITEM: PUBLIC HEARING

5. **35 STATE ST**

HRC-2/SD-3 Zone

(3:00)

Assessor's Parcel Number: 033-102-004

Application Number: MST97-00357

Agent: Ken Marshall

Applicant: Michael Rosenfeld

Architect: DesignARC, Inc.

Landscape Architect: Suding Design

Engineer: Penfield & Smith Engineers, Inc.

(Proposal for a mixed-use development, Entrada de Santa Bárbara, involving the private redevelopment of portions of three blocks of properties located at 35, 36, and 118 State Street. The proposal includes the option to develop either (i) 123 hotel keys, comprised of all hotel rooms, 19,893 square feet of commercial floor area and 246 parking spaces or, (ii) 116 hotel keys, comprised of 107 hotel rooms with 9 timeshare units, 20,443 square feet of commercial floor area and 246 parking spaces.)

(Comments only; this is a single concept review of a revised project as part of a Substantial Conformance Determination request. Project requires compliance with City Council Resolution No. 01-103. Project was last reviewed on September 1, 2010.)

Actual time: 3:01

Present: Melissa Cinarli and Mark Shields, Architects, DesignARC
Philip Suding, Landscape Architect, Suding Design
Michael Rosenfeld, Representing Ownership

Staff comments: Mr. Limón made the following clarification in response to public comment with respect to the HLC Chair acting as the landscape architect for the project: The City Attorney's office has determined that sole proprietors are allowed to prepare professional documents and make project presentations before a board they serve on based on an exception to the Political Reform Act and Fair Political Practices Commission rulings. The limitation is that they are not to unduly influence their fellow board members on a decision by advocating for their clients. The exception allows board members to continue practicing their profession in the City while volunteering on a board.

Public comment opened at 3:35 p.m.

Holly Waters, West Beach Neighborhood representative, expressed concern with the effect of the reduction of Area C's open space on the neighborhood's character, the densification of the neighborhood itself, and the delay the proposed changes would cause in the completion of the project.

Michael Self, local resident, expressed concern with the considerable changes to the original proposal, and is concerned about the danger and increased congestion through lane removal, street narrowing, and bulb-outs.

Kellam de Forest, local resident, expressed concern with possible impacts on views of the mountains from State Street, and vehicle circulation with the narrowing of the street.

Kenny Slaughter, local business owner, expressed support for the project and commented on the need for completion of this gateway to the City.

Jim Westby, local resident, expressed concern with the considerable changes between the approved plan and the proposed changes, primarily the loss of open space and the densification at State Street.

Public comment closed at 3:49 p.m.

Letters were received from Holly Walters representing the West Beach Neighborhood, Tony Romasanta representing the Harbor View Inn, and Paul Bullock representing the Greater Santa Barbara Lodging & Restaurant Association.

The Commission made the following comments:

1. **State Street Width:** This issue was addressed during the previously approved design. Although previously approved, the narrowing of State Street would be a disservice to the community.
2. **Area A:**
 - a) Consolidating the parking is prudent and supportable.
 - b) The idea of a plaza is supportable.
3. **Area B:**
 - a) Bringing the paseo down to the ground is supportable.
 - b) Planters and walls should be removed. If security is needed, it was suggested that piers or a wrought iron fence be used.
 - c) Widening access to Mason Street from the plaza would be better.
4. **Area C:**
 - a) This area needs further study.
 - b) The proposed retail closer to the street would be successful.
 - c) The concept of a large plaza with its open space in the previously approved design that contributed to State Street as a gift to the public was appropriate and supportable. The buildings have taken over in the new design.
 - d) The arches in the previous proposal gave it a certain poetry.
 - e) The reduced height is a benefit, but the open space previously proposed is desired.

This motion carried by the following vote:

Ayes: 4 Noes: 3 (Jacobs, Lodge, White) Abstain: 0 Absent: 0

Chair Larson announced the ten calendar day appeal period.

Chair Larson called for a break at 2:31 p.m. and resumed the meeting at 2:39 P.M.

Commissioners Bartlett and Jostes left at the break and did not return to the dais.

Scott Vincent left at the break and did not return to the dais. Steve Wiley, City Attorney, returned after the break.

V. **SUBSTANTIAL CONFORMANCE:**

ACTUAL TIME: 2:39 P.M.

RECUSALS: To avoid any actual or perceived conflict of interest, the following Commissioners recused themselves from hearing the next item and left at the break:

Commissioner Jostes recused himself due to his wife owning property in close proximity to the project.

Commissioner Bartlett recused himself due to his firm having done work on the project.

EX PARTE COMMUNICATION:

Commissioner White disclosed an ex parte communication with Mr. Romasanta.

Commissioner Lodge disclosed receiving a call from Mr. Romasanta, but did not speak with him.

APPLICATION OF KENNETH MARSHALL, DUDEK, AGENT FOR MF SANTA BARBARA, LLC; 35, 36 AND 118 STATE STREET ("LA ENTRADA DE SANTA BARBARA"); APN: 033-081-013, 033-102-018, 033-111-013; HRC-II/S-D-3 ZONES, GENERAL PLAN DESIGNATION: HOTEL AND RELATED COMMERCE II/BUFFER (MST97-00357)

The purpose of this discussion item was to inform the Planning Commission of proposed changes to the Entrada de Santa Barbara project, as approved by the City Council on December 11, 2001, within the context of a request for a Substantial Conformance Determination (SCD).

Key proposed changes include:

- Change from 56 timeshare units to 114 hotel units and 9 timeshare units.
- Hotel amenities (conference room gym, spa, business center, lounge and breakfast area) were added, totaling 8,066 square feet.

- All back-of-house (BOH) areas now located on the subject properties, rather than off-site, resulting in 1,491 square feet of additional BOH area on the subject properties.
- Storage space for timeshare units added to Areas A, B and C.
- Revised parking plan wherein all hotel and timeshare parking is provided on Areas A and B, and Area C's parking will accommodate all parking associated with the commercial development, Visitor Information Center and public parking.
- Main lobby and valet pick-up/drop-off relocated from Area C to Area B (along E. Mason Street).
- Guarantee for completion of Area C underground parking garage.
- Expanded public plaza on Area C.
- Less above-grade square footage, resulting in reduced mass on Area C and Area B, and improved mountain views.
- Minor changes to site plans for each Area, including changes to encroachments into required setbacks, for which modifications were originally granted.

The City Administrator will ultimately make a determination as to whether the proposed changes are in substantial conformance with the approved project.

The purpose of the discussion was to allow the Planning Commission an opportunity to review the proposed changes to the approved project and provide input with regard to the SCD request.

Case Planner: Allison De Busk, Project Planner
Email: ADebusk@SantaBarbaraCA.gov

Deborah Andaloro, Senior Planner explained the Substantial Conformance Determination (SCD) process, and disclosed that Paul Casey, Community Development Director, would not be making the SCD determination due to a perceived conflict with a relative working for the project's architectural firm. The SCD will be forwarded to the City Administrator for a decision.

Allison De Busk, Project Planner, gave the Staff presentation.

Ray Wicken, representing Owner, MF Santa Barbara, LLC, lead the applicant presentation, joined by his team: Doug Fell, Attorney; Ken Marshall, Dudek; Melisa Cinarli, DesignARC; Mark Shields, DesignARC; and Scott Shell, ATE.

Barbara Lowenthal, a former Planning Commissioner, provided a historic background of the project issues considered by an earlier Commission, which included consideration of time-shares, preservation of view corridors, and a review of the project's massing.

Steve Wiley, City Attorney, further clarified the SCD process as outlined in the Planning Commission Guidelines, as revised in 1997. Discussion was held on the decision criteria for

the SCD in the face of times that have changed as being held to the criteria of today, although there has not been significant change.

Chair Larson opened the public hearing at 3:35 P.M.

The following people provided public comment:

1. Tony Romasanta questioned the outcome of the applicant's prior time extension and commitments made that did not materialize and resulted in the present blight of the properties. He remained concerned that granting a non-appealable SCD would not result in development of the property, but merely give the applicant a better position for selling the property to a third party and lead to further degradation during the time it would take for a new developer to process plans. Speaker time was waived to Mr. Romasanta by Mark Romasanta, Warren Richards, and Junior Zermeno.
2. Tim Benett supported SCD.
3. John Hughes, Electrical Workers of Santa Barbara County, supported the SCD.
4. Mark Edwards, supported the SCD.
5. Michael Seaman, Operating Engineers Local 12, supported the SCD
6. Connie Hannah, Santa Barbara League of Women Voters, submitted and summarized written comment in support of the improvements presented in the current plans. Does not support the narrowing of State Street by the project and asked that it be reconsidered.
7. Beverly King, Santa Barbara League of Women Voters, continued the summary of the League's written comments in support of the underground parking; the bond requirement; and the demolition of the Californian Hotel if the project did not meet the development timeline. Stressed that the City should not bear any of the burden should water intrude into the underground parking garage.
8. Bernie Berglund supported the SCD. Current blight encourages crime and vandalism in the area.
9. Kellam de Forest found the SCD process confusing and asked that the General Plan Update provide clearer definition. Concerned with what would happen to the Visitors Center at Garden Street.
10. Steve Petersen supported the SCD.
11. Roy Millender supported the SCD and approved of the changes that have been made over time.
12. Glen Esterbrook could not stay but supported the SCD.

With no one else wishing to speak, the public hearing was closed at 4:02 P.M.

Discussion was held on the square footage changes over time under previous SCD's; conditions being developed by Staff to impose fixed timeframes for building permits and the initiation and completion of the project, along with absolute consequences for non-compliance; the inability to secure a bond in the face of an uncertain economy; and Staff's efforts to avoid a return to 'white space'.

The Commissioners made the following comments:

1. Commissioner Jacobs recalled the 2004 hearings with commitments that were made, and did not materialize. Finds it unacceptable that one of the consequences of non-conformance is demolition of Californian Hotel, a historic site; would like a return to Historic preservation mode. Would like to see a return to the previous design in Area B with less mass and bulk. Parking is good, but would like to see more parking for circulation in the area. Would like to see access to the roof decks made available for public use.
2. Commissioner Larson supported the SCD but would feel deceived if the SCD were approved, the property sold, and the Californian Hotel allowed to be demolished by neglect.
3. Commissioner White was concerned with the encroachments on the north side of Area B into Mason Street and how they would factor into the SCD, as well as the bulk of Area B. Liked that there is more commercial space and the hotel, but wished that there was more conference space. Suggested trading out some rooms. Appreciates that there is more parking and would like Staff to review the feasibility of underground parking. Still does not see Area B representative of Santa Barbara.
4. Commissioner Thompson felt the proposed land use is consistent with the project for the SCD. The environmental impacts have been reduced from the approved project. Feels the proposed conditions, along with consequences, are a good thing to provide motivation to move the project forward.

Mr. Wiley noted that the City's enforcement program for seismically unsafe buildings during the early 90's found the Californian Hotel to be unsafe by building officials. A Superior Court code enforcement action against the owners resulted in a resolution that allowed for time to redevelop the property or if plans for new development were to lapse, would require demolition. The Californian Hotel is eligible as a potential structure of merit, but has not been listed and is not a historic landmark.

Commissioner Larson had to leave the dais at 4:28 P.M. Vice Chair Thompson continued the meeting as Chair.

Additional discussion was held regarding the \$50,000 landscaping bond that was previously committed but did not materialize due to the building permits having been kept valid.

Staff thanked the Commission for comments made and will pass them onto the City Administrator. The Commission asked that the Historic Landmarks Committee review the renovation of the Californian Hotel.

ADMINISTRATIVE AGENDA

ACTUAL TIME: 4:46 P.M.

- A. Committee and Liaison Reports.
 1. Staff Hearing Officer Liaison Report

Additional Project Statistics/Comparisons

Approved Entrada Project	March 2010 SCD	Current SCD Proposal
Three areas (A, B, and C) and right-of-way improvements	same	same
2.41 acres total	same	same
<p>Approximately 17,500 s.f. commercial/ retail space as follows:</p> <p>Area A = 5,368 s.f.</p> <p>Area B = 3,560 s.f.</p> <p>Area C = 7,936 s.f.</p>	<p>Approximately 21,600 s.f. commercial/ retail space as follows:</p> <p>Area A = 3,886 s.f.</p> <p>Area B = 3,244 s.f.</p> <p>Area C = 11,992 s.f.</p>	<p>Approximately 22,300 s.f. commercial/ retail space as follows:</p> <p>Area A = 4,584 s.f.</p> <p>Area B = 6,437 s.f.</p> <p>Area C = 8,899 s.f.</p>
<p>56 units, each with a lock-out, for a total of 112 units (105,053 s.f.) as follows:</p> <p>Area A = 15 timeshare units (30 units)</p> <p>Area B = 24 timeshare units (48 units)</p> <p>Area C = 17 timeshare units (34 units)</p>	<p>Total of 123 units (67,378 s.f.) as follows:</p> <p>Area A = 51 units (46 hotel, 5 timeshare)</p> <p>Area B = 48 units (48 hotel, 0 timeshare)</p> <p>Area C = 24 units (20 hotel, 4 timeshare)</p>	<p>Total of 123 units (64,746 s.f.) as follows:</p> <p>Area A = 64 hotel units</p> <p>Area B = 59 hotel units</p> <p>Area C = 0 units</p>
A Visitor Information Center (2,500 s.f.) located in Area C	A Visitor Information Center (2,532 s.f.) located in Area C	A Visitor Information Center (2,400 s.f.) located in Area C
<p>210 parking spaces (including 68 dedicated off-street parking spaces for the commercial portion of the project and 30 additional public spaces available on a shared-use basis with the time-shares, as follows:</p> <p>Area A = 17 surface spaces,</p> <p>Area B = 48 spaces in a subterranean garage,</p> <p>Area C = 145 spaces in subterranean and above-ground parking structure;</p> <p>Parking for the VIC (10 spaces) provided off-site at 125 State Street</p>	<p>243 parking spaces (including 120 dedicated off-street parking spaces for the commercial portion of the project, as follows:</p> <p>Area A = 21 surface spaces,</p> <p>Area B = 82 spaces in a subterranean garage and 20 spaces in a ground level garage,</p> <p>Area C = 120 spaces in subterranean parking structure;</p> <p>Parking for the VIC provided on Area C</p>	<p>264 parking spaces (including 124 dedicated off-street parking spaces for the commercial portion of the project, as follows:</p> <p>Area A = 6 surface spaces,</p> <p>Area B = 4 surface spaces,</p> <p>Area C = 130 spaces in subterranean garage (valet for hotel units) and 124 spaces in an above-ground parking structure;</p> <p>Parking for the VIC provided on Area C</p>

Approved Entrada Project	March 2010 SCD	Current SCD Proposal
Public right-of-way alterations including reconfiguration of on-street parking on Mason Street and Helena Avenue, widening the sidewalk along State Street (consistent with the State Street Plaza design north of Highway 101) and installing a traffic signal at the State/Mason Street intersection;.	Same improvements but mid-block crossing was eliminated; phased construction required as a condition of approval of the SCD.	Same improvements but mid-block crossing was eliminated; phased construction may be required as a condition of approval of the SCD.
No project phasing	Project phasing	No project phasing (except for Stage 1 public improvements, which are already under construction)
No operator identified	No operator identified	No operator identified

EXHIBIT I ARCHIVED REPORTS – PROVIDED UNDER SEPARATE COVER

I.1 – Planning Commission Staff Report, June 28, 2001

I.2 – Council Agenda Report, August 2001

I.3 – Resolution No. 01-103

I.4 – Conditions of Approval

I.5 – Final Environmental Impact Report

