



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

REPORT DATE: August 17, 2001

TO: Mayor and Councilmembers

FROM: Sandra E. Tripp-Jones, City Administrator *STJ*

SUBJECT: APPEALS OF PLANNING COMMISSION APPROVAL OF THE ENTRADA DE SANTA BARBARA PROJECT

RECOMMENDATION: That Council:

- A. Hold a public hearing on the two appeals filed by the Environmental Defense Center representing the League of Women Voters of Santa Barbara and Citizens Planning Association of Santa Barbara County, Inc., and by Santa Barbara Streets R Us;
- B. Adopt, by reading of title only, A Resolution of the Council of the City of Santa Barbara Denying the Appeals and Upholding the Decision of the Planning Commission to Approve the Final Mitigated Negative Declaration, Certifying the Final Environmental Impact Report, and Approving the Entrada De Santa Barbara Project Located at 22-120 State Street, 15 E. Mason Street, 125 State Street, and the State Street Right-of-Way between the Mission Creek Bridge and the Union Pacific Railroad Right-of-Way; and

DISCUSSION: See Attached Page

ATTACHMENTS: See Page 2

PREPARED BY: Planning Division, BH/DAA *BH*

APPROVED BY: David D. Davis, Community Development Director *DD*

REVIEWED BY: _____ Finance _____ Attorney

STAFF USE ONLY

TO:

FROM: City Administrator

ACTION TAKEN:

DIRECTIONS:

Meeting Date August 21, 2001

Agenda Item No. 39

..Recommendation Continues..

- C. Grant a Final Designation as a Community Priority Project per Santa Barbara Municipal Code §28.87.300 and allocate 2,500 square feet of floor area for the proposed Visitor Information Center.

- ATTACHMENTS:**
1. Environmental Defense Center appeal letter, dated July 23, 2001
 2. Santa Barbara Streets R Us Committee letter, dated July 23, 2001
 3. Staff Responses to Appeals Issues
 4. Project Area Map
 5. July 11, 2001 Planning Commission Special Meeting Minutes
 6. Planning Commission Resolutions (031-01, 032-01, and 033-01)
 7. PFK Mitigation Analysis for Loss of Lower Cost Visitor Serving Facilities
 8. ERA Analysis of Mitigation Fee for Low Cost Visitor Accommodations
 9. Letters from public

NOTE: Distributed under separate cover and available in the Mayor and City Council's Office and City Clerk's Office:

1. Planning Commission Staff Report, dated June 28, 2001
2. Final Environmental Impact Report for the Entrada de Santa Barbara project
3. Approved Mitigated Negative Decalaration for the Entrada de Santa Barbara project
4. Photo-simulations of the Redesigned Entrada de Santa Barbara Project

DISCUSSION:

Project Description

The Entrada project involves the private redevelopment of portions of three blocks of properties at the intersection of State Street and Mason Street with a total of 16,864 square feet of commercial/retail uses and 56 time-share units. The 56 time-share units each have a lock-out unit, thereby providing for the possibility of a total of 112 transient lodging units. A total of 210 parking spaces are proposed, including a 145-space parking structure south of the railroad right-of-way between State Street and Helena Avenue.

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Public right-of-way alterations are also proposed, including a reconfiguration of on-street parking on Mason Street and Helena Avenue, a widening of the sidewalk along the project's State Street frontage consistent with the State Street Plaza design north of U.S. 101, and other alterations. These alterations are proposed in cooperation with the Redevelopment Agency to allow for the consistent development of the portion State Street between the railroad right-of-way and Cabrillo Boulevard. A traffic signal is also proposed at the intersection of State Street and Mason Street.

A 2,500 sq. ft. public Visitor Information Center (the "VIC") is also proposed within the Entrada project (in addition to the 16,864 sq. ft. of commercial uses) along State Street adjacent to the railroad tracks. The proposed VIC is to be sponsored by the City Redevelopment Agency (and mostly likely operated by the Chamber of Commerce or a similar organization) and would provide its required parking within the surface parking lot previously approved for 125 State Street as part of the Coastal Development Permit issued to the Redevelopment Agency in connection with its Santa Barbara Railroad Station Improvement Project completed in 1999.

The project was approved by the City Planning Commission on July 11, 2001. On July 23, 2001 two appeals to the City Council were filed on that approval: one from the Environmental Defense Center (EDC) on behalf of the League of Women Voters of Santa Barbara and Citizens Planning Association of Santa Barbara County, Inc.; and the other by Santa Barbara Streets R Us (see Attachment 1 and 2 for both appeal letters). Staff has prepared a detailed issue-by-issue response to the two appellants' letters claim (see attachment 3). A summary of the key issues is provided later in this report.

Discretionary Actions Required

The project is divided into three areas: Area A, Area B, and Area C. See Attachment 4 for a map of the project site.

The discretionary actions required for the Entrada project are:

FOR AREA A

1. A Development Plan for Area A to allow for the proposed non-residential development of approximately 5,368 square feet of commercial space and 15 time-share units (30 units including lock-out units) (SBMC Section 28.87.300).

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2. A Tentative Subdivision Map for Area A to allow for the creation of condominiums for time-share and commercial purposes (SBMC Chapter 27.07).
3. A Coastal Development Permit for Area A (within the appealable jurisdiction of the Coastal Zone) to allow for the proposed non-residential development of approximately 5,368 square feet of commercial space and 15 time-share units (30 units including lock-out units) (SBMC Section 28.45.009).
4. A Coastal Development Permit to allow for the proposed Tentative Subdivision Map for Area A (within the appealable jurisdiction of the Coastal Zone) (SBMC Section 28.45.009).
5. A Modification to allow for encroachments by the development in Area A into the required front-yard setbacks along State Street and Mason Street (SBMC Section 28.92.026(A)(2)).
6. A Modification to allow for exterior alterations to the fourth floor of the existing Californian Hotel, a portion of an existing non-conforming building located within Area A which exceeds the 45 foot height limit of City Charter Section 1506 (SBMC Section 28.92.026(A)(5)).

FOR AREA B

1. A Development Plan for Area B to allow for the proposed non-residential development of approximately 3,560 square feet of commercial space and 24 time-share units (48 including lock-out units) (SBMC Section 28.87.300).
2. A Tentative Subdivision Map for Area B to allow for the creation of condominiums for time-share and commercial purposes (SBMC Chapter 27.07).
3. A Coastal Development Permit for Area B (within the non-appealable jurisdiction of the Coastal Zone) to allow for the proposed non-residential development of approximately 3,560 square feet of commercial space and 24 time-share units (48 units including lock-out units) (SBMC Section 28.45.009).
4. A Coastal Development Permit to allow for the proposed Tentative Subdivision Map for Area B (within the non-appealable jurisdiction of the Coastal Zone) (SBMC Section 28.45.009).

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5. A Modification to allow for encroachments by the development in Area B into the required front-yard setbacks along State Street, Mason Street, and Helena Street (SBMC Section 28.92.026(A)(2)).

FOR AREA C

1. A Development Plan for Area C to allow for the proposed non-residential development of approximately 7,936 square feet of commercial space, a 2,500 square foot public Visitor's Information Center and 17 time-share units (34 units including lock-out units) (SBMC Section 28.87.300).

2. A Tentative Subdivision Map for Area C to allow for the creation of condominiums for time-share, commercial purposes and a public Visitor's Information Center (SBMC Chapter 27.07).

3. A Coastal Development Permit for Area C (within the non-appealable jurisdiction of the Coastal Zone) to allow for the proposed non-residential development of approximately 7,936 square feet of commercial space, a 2,500 square foot Visitor's Center and 17 time-share units (34 units including lock-out units) (SBMC Section 28.45.009).

4. A Coastal Development Permit to allow for the proposed Tentative Subdivision Map for Area C (within the non-appealable jurisdiction of the Coastal Zone) (SBMC Section 28.45.009).

5. A Modification to allow for encroachments by the development in Area C into the required front-yard setbacks along State Street, Mason Street, and Helena Street (SBMC Section 28.92.026(A)(2)).

6. A Final Designation as a Community Priority Project and allocation of a maximum of 2,500 sq. ft. of non-residential development to be permitted under the Community Priority category of City Charter Section 1508 (Measure E) for the proposed Visitor Information Center (SBMC Section 28.87.300).

TRANSFER OF EXISTING DEVELOPMENT RIGHTS

1. Transfer of Existing Development Rights/Development Plan to allow for the transfer of existing hotel rooms from Area A to Areas B and C (SBMC Chapter 28.95).

STREET RIGHT OF WAY ALTERATIONS

1. Coastal Development Permit (within the appealable jurisdiction of the Coastal Commission) to allow for the proposed State Street Right-of-Way improvements.

Planning Commission Review

A detailed staff report was prepared for the Planning Commission (available on file in the City Clerk's Office). The Planning Commission staff report includes the following information:

- Description of the Redesigned Entrada Project;
- Project History and Background;
- Discussion of the environmental issues and process associated with the Entrada project, in particular, an analysis of the comments received on the Draft EIR and on assertions that new information has been provided regarding concerns other than those related to public views, as analyzed in the EIR; and
- Analysis of issues germane to the Redesigned Entrada Project, including consistency analysis with the Zoning Ordinance and Santa Barbara Municipal Code and relevant plans and policies, including:
 - California Coastal Act and Local Coastal Plan;
 - General Plan;
 - Design Review Plans;
 - Downtown/Waterfront Santa Barbara (Visioning Report); and
 - Amended Central City Redevelopment Plan.

On July 11, 2001, the Planning Commission held a public hearing on the proposed project (meeting minutes are attached as Attachment 5). At the hearing, 29 members of the public spoke in support of the project, and 13 spoke in opposition. In addition, 25 speaker slips were received from supporters of the project not wishing to speak, and two speakers' slips were received from opponents of the project not wishing to speak. Thirty letters of support and ten letters in opposition were received prior to the hearing.

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Following the Staff and Applicant presentations, and the public comment portion of the hearing, the Planning Commission discussed and considered the environmental review of the Entrada Project and the merits of the requested development permits for approximately three and a half hours. The major issues the Planning Commission focused on were:

- The loss of lower-cost visitor serving overnight accommodations and appropriate mitigation;
- Traffic and circulation concerns, in particular the effects of the proposed State Street Plaza Design in the lower portion of State Street;
- Evacuation plans for the Waterfront area;
- Conclusions of the Final EIR that important public view impacts would be less than significant;
- Additional retail/commercial building space in the project, preferably along Mason Street;
- Project design features such as the project's massing, architecture, plate heights, size of the time-share units, amount of open green space in the project, simplification of the project, etc.;
- Retention of existing visitor-serving/recreational uses;
- Employee generation rates for the project;
- Area A's buildings design and proximity to Mission Creek;
- Requested setback modifications; and
- The extent of undergrounding of utilities proposed.

The Planning Commission voted 6 to 1 and approved the Mitigated Negative Declaration and certified the Final Environmental Impact Report (EIR) (both are on file at the City Clerk's Office). The Planning Commission also voted 4 to 3 and approved the project, making several changes to the Conditions of Approval, which are reflected in the Conditions of Approval attached to the City Council Resolution. Commissioners voting against the project approval cited the inability to support the requested modifications without the certainty that the State Street sidewalks would be widened, that the direction to the Historic

Landmarks Commission incorporated into the Conditions of Approval to further refine certain design aspects of the project was not strong enough, and that given the project location in the City's Waterfront, the project design was not appropriate. Finally, the Planning Commission voted unanimously to adopt a resolution stating its support for the continuation of the State Street Plaza Design to the lower portion of State Street (See Planning Commission Resolutions 031-01, 032-01, and 033-01, Attachment 6).

EDC Appeal and Staff's Position

On July 23, 2001, the Environmental Defense Center representing the League of Women Voters of Santa Barbara and Citizens Planning Association of Santa Barbara County, Inc., appealed the Planning Commission's certification of the Final EIR and approval of the Entrada project to the City Council. Attachment 1 provides a copy of the EDC appeal letter and Attachment 3 provides Staff responses to the points outlined in the letter.

The letter submitted by the Environmental Defense Center (EDC) states that it is appealing the Planning Commission's actions to:

- Certify the Final EIR on public view impacts;
- Adopt the Mitigated Negative Declaration;
- Approve the exemption from California Department of Fish & Game review fees; and
- Approve the Entrada project permits (development plan, tentative subdivision map, coastal development permits, modifications, recommendation to City Council for approval of Visitor Information Center, transfer of development rights, and street right of way alterations).

The appeal letter raises the same environmental and policy issues previously raised as part of the environmental review process, design review process, and Planning Commission hearing process. Staff has previously analyzed and responded to these issues in depth in the Final EIR / Responses to Comments, Planning Commission staff reports, and at public hearings.

Analysis completed by Staff and the City Attorney has determined, and the Planning Commission approvals have confirmed, that the Mitigated Negative Declaration and EIR comply with all procedural and substantive requirements of CEQA. The determination that the MND complies with all procedural and substantive requirements of CEQA has already been made by the Superior Court (in litigation

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brought by Appellants) except for the need to prepare an EIR focused on potential public view impacts. In addition, the project has established its compliance with State defined, "de minimis" criteria for California Department of Fish & Game fee waiver.

Throughout the project review and approval process, Staff, the Planning Commission, the Historic Landmarks Commission, and members of the public have carefully considered and questioned certain aspects of the Entrada project, including:

- Are the Entrada Project's proposed setbacks, building heights and elevations acceptable for visual openness?
- Are the size, bulk, and scale of the Entrada Project appropriate for this part of State Street in relation to this area being an important link between the Waterfront and Downtown?
- Is the Entrada Project compatible with the existing built environment and the City's vision of the future built environment in relation to the Downtown core and size, bulk and scale issues?
- Does the character of the Entrada Project adequately reflect or create a "small town" ambiance? Does it provide an appropriate sense of "openness", "lack of congestion", "naturalness", and "rhythm" with the existing character of the Waterfront along State Street?
- What affect could the Entrada Project have on lower-cost visitor serving overnight accommodations and ocean-oriented uses in the Waterfront area?
- What affect could the Entrada Project have on Mission Creek?

During the extensive previous review of the Entrada Project during 1998 and 1999, the applicant made numerous design changes to address concerns and issues raised relative to the project's site and building design. Further, in response to comments received from City staff, the Planning Commission, and members of the public made in connection with the hearing held to consider the Draft EIR (March 15, 2001), the applicant revised and modified the Entrada project to further reduce the project's size, bulk, and scale in order to reduce the Entrada project's impacts upon the aesthetics and character of the neighborhood in which the project

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is located (Photosimulations of the redesigned Entrada Project are available in the City Clerk's Office).

The applicant also proposed a condition to address the loss of lower-cost visitor serving overnight accommodations and visitor-serving recreation uses. The proposed condition included the payment of a \$982,000 subsidy to the City Redevelopment Agency to make economically feasible the development of a 96-room economy lodging facility in Santa Barbara. The subsidy amount was based upon an analysis conducted by PKF Consulting on behalf of the applicant and submitted to the City (See Attachment 7). The City contracted with Economic Research Associates (ERA) to confirm the findings of the PKF analysis (See Attachment 8). This condition for payment of a subsidy has been included in the Planning Commission's approval of the project.

In addition, the applicant continues to agree to provide important upgrades to the storm water system including the installation of industrial interceptors to pre-treat storm water, which currently flows directly into Mission Creek in the Entrada Project vicinity.

As further described and discussed in Attachment 3, Community Development Staff analysis has determined, and the Planning Commission has confirmed through its approval the project permits, that the Entrada project conforms to applicable plans, policies, and regulations. The Appellants disagree with the City's review process, and its application, interpretation, and consistency findings with applicable plans, policies, and regulations.

Santa Barbara Streets R Us Appeal and Staff's Position

The letter submitted by the Santa Barbara Streets R Us Committee (Streets R Us) on July 23, 2001 states that it is appealing the Planning Commission's action to approve the Entrada Project based on the following:

- The project eliminates much needed traffic lanes for unneeded wider sidewalks which are currently 14' wide;
- Elimination of traffic lanes will result in further congestion and air pollution, create dangerous conditions, and impede access to the Waterfront Area;
- The Planning Commission and applicant failed to take the necessary actions required by the California Streets and Highways Code;

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- The elimination of traffic lanes is inconsistent with the State Coastal Act and LCP; and
- The elimination of traffic lanes constitutes a "gift" to a private developer.

Attachment 2 provides a copy of the Streets R Us appeal letter. As further described and discussed in Attachment 3, the issues raised by Streets R Us have been previously addressed either as a part of the review of the Entrada Project or in conjunction with on-going hearings relative to the Narrowing Certain Streets Initiative Petition. It should be noted that a Condition of Approval is recommended which specifies the Applicant's obligation relative to the extension of the State Street Plaza Design to the lower portion of State Street. The condition allows the Entrada Project to move forward pending uncertainty regarding the City's ability to widen the State Street sidewalks. In the event any such uncertainty is resolved within 5 years of the issuance of permits for the Project, the City may opt to require the Applicant to perform the sidewalk project.

At its July 11, 2001, public hearing on the Entrada Project, the Planning Commission voted unanimously to adopt a resolution stating its support for the continuation of the State Street Plaza Design to the lower portion of State Street (Planning Commission Resolution 033-01, Attachment 6).

Final Designation of Community Priority Project

The Entrada Project includes building space for a Visitor Information Center (VIC) on Area C. The floor area for the VIC has been requested from the "Community Priority" General Plan category. Pursuant to SBMC §28.87.300(B.) (2.), to be a Community Priority, a project must be designated by City Council as necessary to meet a present or projected need directly related to public health, safety or general welfare. General welfare is defined as:

"A community priority project which has a broad public benefit (for example, museums, child care facilities, or community centers) and which are not principally operated for private profit."

A maximum of 2,500 square feet on Area C is proposed for a VIC to be leased or purchased from the applicant to the Redevelopment Agency, who would sub-lease the facility to the Chamber of Commerce. This 2,500 sq. ft. facility is in addition to the approximately 8,000 sq. ft. of commercial/retail use proposed on

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Area C of the Entrada project and would be located along State Street at the northerly portion of Area C adjacent to the railroad right-of-way.

The proposed VIC will replace the existing facility located in the historic sandstone building at 11 Garden Street (at the corner of Cabrillo Boulevard). The proposed location is more central to visitor activities and intended to draw visitors up State Street from the beach and down State Street from the Central Business District. The VIC was previously proposed directly across State Street from Area C at 125 State Street, in conjunction with a 22-space parking lot directly south of the Railroad Station.

The VIC facility would include public restrooms and provide operating space for visitor services, including a hotel reservation service.

Required parking for the VIC would be provided within the surface parking lot previously approved for 125 State Street as part of the Coastal Development permit for the Santa Barbara Railroad Station Improvement Project (for additional discussion, see Zoning and SBMC Consistency, Parking Requirements).

In addition, the VIC would be on the State Street/Waterfront Shuttle route providing users public transportation access to and from other visitor destination locations. Finally, the VIC is expected to bring a financial return to the City, as more information on more goods, services, and events will be available to more visitors.

Staff and the Planning Commission recommend that the City Council approve a Final Allocation of Community Priority Square Footage for the VIC.

RECOMMENDATION:

Staff recommends that Council deny both the EDC and Streets R Us appeals and uphold the decision of the Planning Commission approving the Entrada project. Throughout the record on the project and in the proposed Council Resolution the City has explained its position that the Entrada project is an appropriate and consistent development for State Street in the Waterfront area. The project will result in an overall improvement to the area in terms of aesthetics, architectural character, public amenities, land use and access.

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The Entrada project will result in no significant environmental impacts, and it is consistent with all applicable regulation, plans, and policies, including the City's Zoning Ordinance, the Santa Barbara Municipal Code, the California Coastal Act, the Local Coastal Plan, the City's General Plan, various City design review plans, Downtown/Waterfront Visioning Report, and the Amended Central City Redevelopment Plan.

In addition, the Entrada Project will provide a number of public benefits, 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 parking;
- Stormwater run-off filtration improvements; and
- Undergrounding of overhead utility lines.

Therefore, Staff recommends that the City Council deny both appeals by adopting the attached resolution of the Council, thereby upholding the Planning Commission approval of the Entrada Project Mitigated Negative Declaration, certifying the Entrada Project Final Environmental Impact Report, and approval of the listed Coastal Development Permits, the Development Plans, the Tentative Subdivision Maps, the TEDR, and the Modifications to front-yard setbacks and to allow interior alterations to an existing non-conforming building which exceeds the 45-foot height limit required by City Charter Section 1506, and granting the project a Final Community Priority Designation and allocate a maximum of 2,500 square feet of floor area for the proposed VIC based on the findings and determinations provided in the Resolution of the City Council, subject to the recommended Conditions of Approval attached as Exhibit A to the Resolution.

The conditions of approval attached to the Council's Resolution are consistent with the direction given by the Planning Commission on July 11, 2001 upon its approval of the Project; however, as is now a standard recommendation for projects appealed to the City Council, on the basis of CEQA compliance, a condition has been added requiring the Applicant to enter into an agreement with the

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City, subject to review by the City Attorney, to indemnify the
City from any and all costs relating to an award of litigation
expenses.