III.B

PLANNING COMMISSION
STAFF REPORT

REPORT DATE: December 13, 2018
AGENDA DATE: December 20, 2018
PROJECT ADDRESS: 35 N. Calle Cesar Chavez (MST2018-00505)
TO: Planning Commission
FROM: Planning Division, (805) 564-5470, extension 4531
     Allison De Busk, Senior Planner
     Kelly Brodison, Associate Planner

I. PROJECT DESCRIPTION

The project consists of a request to operate a building materials supply company and a lumber yard within the existing industrial buildings located at 35 N. Calle Cesar Chavez. The 28,350 square foot lot is located within the City’s Ocean-Oriented Light Manufacturing (OM-1) Zone in the appealable and non-appealable jurisdiction of the Coastal Zone, and has a Coastal Land Use Designation of Ocean Oriented Industrial.

II. REQUIRED APPLICATION

The discretionary application required for this project is a Conditional Use Permit to allow for the existing buildings in the OM-1 Zone to be used as a construction materials warehouse and a lumber yard, which are not uses identified in Santa Barbara Municipal Code (SBMC) §28.73.030.A (SBMC Chapters 28.73 and 28.94).

APPLICATION DEEMED COMPLETE: October 24, 2018
DATE ACTION REQUIRED: January 22, 2019

III. RECOMMENDATION

Staff recommends that the Planning Commission consider the required findings to allow a non-ocean-related use to operate in the OM-1 (Ocean-Oriented Light Manufacturing) Zone.

A. If the Planning Commission determines that the request for a Conditional Use Permit (CUP) can be supported, direct staff to return with draft findings and conditions of approval;
   or

B. If the Planning Commission determines that the request for a CUP cannot be supported, direct staff to return with findings for denial.
IV. BACKGROUND

This property has historically operated as a mix of legally non-conforming uses such as storage of construction materials and multiple mechanics. In 2014, the Staff Hearing Officer approved a Coastal Development Permit and a Development Plan to allow the following improvements on the 28,350 square foot site:

- Demolition and reconstruction of two existing one-story storage buildings (Buildings C and D) in approximately the same configuration/location. Building C was 3,154 square feet and was reconstructed at 3,626 square feet; Building D was 3,206 square feet and was reconstructed at 3,206 square feet.

- Approval of an “as-built” 1,341 square foot storage building (Building B). Note that this structure was subsequently demolished and reconstructed due to building code compliance issues.
An existing 875 square foot office building (Building A) and twenty-one parking spaces were to remain.

The Staff Report dated April 23, 2014, and Staff Hearing Officer Resolution No. 024-14 are attached as Exhibits C and D, respectively.

The site has been under construction for the last two years and is nearing completion and final occupancy.

Staff has reviewed the current use request and determined that the proposed use would not require a new Coastal Development Permit because it could be found consistent with the 2014 Coastal Development Permit approval and does not represent an intensification of use in that on-site uses would remain as industrial/light manufacturing-type uses.

V. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

<table>
<thead>
<tr>
<th>Applicant:</th>
<th>John Cuykendall, Dudek</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Owner:</td>
<td>Verde Ventures, LLC</td>
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Site Information

<table>
<thead>
<tr>
<th>Parcel Number:</th>
<th>017-113-004</th>
<th>Lot Area:</th>
<th>28,350 sq. ft.</th>
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</thead>
<tbody>
<tr>
<td>Local Coastal Plan:</td>
<td>Ocean Oriented Industrial</td>
<td>Zoning:</td>
<td>OM-1 Ocean-Oriented Light Manufacturing</td>
</tr>
<tr>
<td>Prior Use:</td>
<td>Storage and warehouse and mechanics</td>
<td>Topography:</td>
<td>~2% slope</td>
</tr>
</tbody>
</table>

Adjacent Land Uses

- North – Rescue Mission
- East – Warehouse building
- South – Vercal Building
- West – El Estero Waste Water Treatment Plant

B. EXISTING PROJECT STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>Net Floor Area</th>
<th>Previous Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building A</td>
<td>875 sq. ft.</td>
<td>Office space and storage</td>
</tr>
<tr>
<td>Building B</td>
<td>1,341 sq. ft.</td>
<td>Storage</td>
</tr>
<tr>
<td>Building C</td>
<td>3,626 sq. ft.</td>
<td>Mechanics</td>
</tr>
<tr>
<td>Building D</td>
<td>3,206 sq. ft.</td>
<td>Mechanics</td>
</tr>
<tr>
<td>TOTAL</td>
<td>9,048 sq. ft.</td>
<td></td>
</tr>
</tbody>
</table>

VI. ISSUES

This proposal represents an important coastal policy question for the Planning Commission to consider. The applicant has expressed their inability to lease the buildings with a use consistent
with the OM-1 zone and is therefore requesting a Conditional Use Permit to allow M-1 uses at the project site.

While staff understands the applicant’s position and the difficulty in attracting potential ocean-related tenants in these newly constructed buildings, this site represents one of the few OM-1-zoned sites that could realistically provide an ocean-related use given that the majority of the OM-1 Zone consists of City-owned and operated public service facilities or other uses that are unlikely to redevelop into conforming uses in the foreseeable future.

VII. POLICY AND ZONING CONSISTENCY ANALYSIS

A. ZONING ORDINANCE CONSISTENCY

As currently developed, the existing buildings on the site are consistent with the development requirements of the Zoning Ordinance, including setbacks, parking, and building height.

Required vehicular parking for the development is as follows:

- Office Space (Building A) \( \frac{1}{250} = 3.5 \) spaces required
- Storage (Building B) \( \frac{1}{500} = 2.7 \) spaces required
- Boat Storage/Repair (Buildings C & D) \( \frac{1}{500} = 13.5 \) spaces required
- Total required parking spaces = 19.7 spaces rounds up to 20 spaces required

Required bicycle parking is 1 per 7 vehicular parking spaces, which results in 3 bicycle parking spaces (20 / 7 = 2.8, which rounds up to 3 spaces).

The project site provides 21 parking spaces and 4 bicycle parking spaces, which is consistent with the zoning requirement. The proposed change of use to building materials supply/lumber yard would not change the parking requirement.

B. OM-1 OCEAN-ORIENTED LIGHT MANUFACTURING

The OM-1 (Ocean Oriented Light Manufacturing) zone was established in 1986 as part of the City’s Implementation of the Local Coastal Program (LCP), specifically implementation of LCP Policy 7.5. The area covered by the OM-1 zone extends approximately from Garden Street to Calle Cesar Chavez between Highway 101 and the railroad tracks (refer to Exhibit E for map). This area totals approximately 52.5 acres. Prior to 1986, this area was zoned M-1 (Light Manufacturing) (Exhibit F).

Allowed uses in the OM-1 zone include boat sales, storage and repair; marine storage; public parking lots; sail manufacturing and repair; seafood processing and wholesaling; household hazardous waste collection facility; and other ocean-related uses deemed appropriate by the Planning Commission. Wastewater/sanitation treatment facilities and other essential public service facilities owned and operated by the City of Santa Barbara are also allowed. Additionally, pursuant to SBMC §28.73.010.B, uses that are allowed in the M-1 Zone can be permitted in the OM-1 Zone subject to special findings and the issuance of a CUP.

City-owned property, including El Estero wastewater treatment plant, the Charles E. Meyer desalination plant, and fire training facility, comprise approximately 20.25 acres, or almost 50% of the OM-1 zone. Other uses include the Rescue Mission and a mix of conforming and nonconforming uses at 1 N. Calle Cesar Chavez (Vercal Building), 26 S. Calle Cesar Chavez,
and 130 Garden Street. Unless privately owned properties within the OM-1 zone are redeveloped with conforming uses in the future, there is little opportunity to provide additional ocean-dependent or ocean-related uses in the area.

The purpose of the OM-1 zone is to provide for appropriate ocean-dependent and ocean-related industrial uses in close proximity to the Harbor/Wharf Complex. The City recognizes that many lots and buildings within the OM-1 zone have uses that are non-conforming to the zone but are allowed to be maintained. However, the establishment and continuation of ocean-oriented uses is encouraged in keeping with the policies of the California Coastal Act and the City’s Local Coastal Plan. The previously-approved use of the site for boat storage and repair conforms to the requirements of the OM-1 zone.

When the OM-1 zone was initially proposed in 1986, concerns were raised by the public that there might not be enough demand for ocean-related uses in the area, and that existing uses would not be allowed to remain. To address those concerns, a provision was added to the OM-1 Zone to allow Planning Commission to approve other uses subject to approval of a CUP and if special findings are made (SBMC §28.73.040.B, as discussed in Section C below), and M-1 uses were allowed in existing and approved structures (SBMC §28.73.040.C). Additionally, in accordance with SBMC Chapter 28.87, nonconforming uses are allowed to remain (refer to additional discussion in subsection D. below).

C. CONDITIONAL USE PERMIT

In order to operate the proposed building materials storage and lumber yard in the OM-1 Zone, the Planning Commission must approve a CUP. The Planning Commission shall only approve such a request upon making very specific findings, which are:

1. The use is compatible with ocean-dependent or ocean-related uses; and
2. The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses. This finding shall be substantiated by competent evidence determined by the Planning Commission to be objective which includes no present or future demand for ocean-dependent or ocean-related uses.

Staff has concerns with finding #2 as it relates to this proposal. The site was historically used for auto repair and storage of construction materials, which became legally nonconforming when this portion of the City was rezoned to OM-1. However, the site lost its nonconforming status with the redevelopment of the site (per Staff Hearing Officer Resolution No. 024-14 and BLD2015-00830). City staff was clear with the applicant in 2014 when they pursued the Coastal Development Permit to redevelop the site that the buildings needed to be designed and used for a use allowed in the OM-1 zone, as listed above, or they would need to apply for a CUP.

To date, the City has approved two other CUPs for non-ocean-related uses in the OM-1 zone:

- 103 S. Calle Cesar Chavez was approved as a parking lot for the Waterfront Hotel in 2007 (subsequently approved for back-of-house hotel uses pursuant to a Development Agreement and Substantial Conformance Determination) due to significant site constraints, including the odd parcel shape, the drainage channel setback, cost of contaminated soil remediation, and wetland restoration.
• 4 S. Calle Cesar Chavez was approved as a fire training facility for the City Fire Department in 2014 because the use was established prior to the zone change to OM-1 and the new and as-built structures would continue that use. Further, the City of Santa Barbara owns the property and would not lease to a private entity due to potential conflicts with the remainder of the site used as a wastewater treatment facility.

Protection of the OM-1 zone for ocean-dependent and ocean-oriented uses is a priority for the City and the Coastal Commission, and the applicant’s proposed use could occur in any other light industrially zoned area of the City.

Demand for Ocean-Dependent or Ocean-Related Uses

As stated above, when the OM-1 Zone was created in 1986, concern about limiting the area to only ocean-dependent or ocean-related uses was raised. For that reason, the specific finding of feasible economic value was added to the CUP requirements to allow the Planning Commission to allow other uses to operate in the zone.

Letters from Radius Commercial Real Estate & Investments Group (Radius Group), Hayes Commercial Group and Jaeger Partners, have been provided describing analysis of the current real estate market and the need for general industrial/manufacturing space within the City.

The applicant believes that the finding for no feasible economic value can be made based on data provided in the applicant letter dated December 10, 2018, (Exhibit A). Radius Group has marketed the subject property since April 2018 and received no interest from businesses with ocean-related uses. The owners of the property invested a significant amount of capital in order to bring the previous dilapidated buildings up to code in order to comply with the flood plain requirements, current building codes, and remediation of contaminated soil. Radius Group has provided an economic analysis (Exhibit H) demonstrating that ocean-related industrial uses would not allow the owners to recover the substantial costs of these upgrades thereby demonstrating that there is no feasible economic value. Jaeger Partners have not had any prospective tenants interested in a marine related use or need for ocean related industrial uses. Hayes Financial Group states their research demonstrates that the OM-1 zone is counter to what the market needs in Santa Barbara. Should the real estate market and demands in the area change, an OM-1 compliant use could operate in the future on the property in conjunction with the operation allowed under the requested CUP.

Staff agrees that general industrial/manufacturing space is severely limited in the City. The applicants have provided information demonstrating their position that there is no present or future demand for ocean-dependent or ocean-related uses and could be detrimental to these property owners.

A nationwide company, Building Materials and Construction Services (BMC), has expressed a desire to operate their business within the city of Santa Barbara since 2014. According to Radius Group, the location, compatibility with surrounding uses in the area, size of the property and buildings, and parking on site make this an ideal site for BMC’s operation. Their operation would be consistent with the previous nonconforming uses of auto repair and construction materials storage, and would not preclude an OM-1 use on-site in the future. Additionally, BMC is well suited for the non-conditioned metal buildings in the flood hazard zone.
Conversely, members of the public have recently commented to staff and decision-makers that there is a need for boat storage in Santa Barbara because they are often difficult to legally store on residentially zoned property.

In addition to the specific finding required in the OM-1 Zone, if the Planning Commission supports the proposed CUP, the standard CUP findings (SBMC §28.94.020) would also be required and are listed in Section IV below. Staff believes that these more general findings could be made, as the use is desirable to the community and would not be detrimental to public health, safety or welfare; the design is compatible with the area and setbacks are adequate; and adequate access and parking could be provided.

D. NONCONFORMING USES (SBMC §28.87.030.E)

The applicants also point out that the office use in Building A has remained non-conforming throughout the construction phase of the project.

Per SBMC §28.87.030.E, “Any nonconforming use of a conforming or nonconforming building may be maintained and continued, provided there is no increase or enlargement of the floor area of the buildings or structures on site which are occupied or devoted to such nonconforming use except as provided in this Subsection, and further provided there is no increase in the intensity of such nonconforming use except as otherwise provided in this title. When a building containing a nonconforming use is demolished, the nonconforming use shall be deemed discontinued, and such nonconforming use shall not be continued or perpetuated in any replacement building, except as provided in this Subsection. For the purposes of this section, an increase in intensity of use shall include but not be limited to the following: An increase in the number of required parking spaces for the use, or increase in the amount of traffic, noise, odors, vibration, air pollution including dust and other particulate matter, hazardous materials or other detrimental effects on the surrounding community that are generated by the use.”

That SBMC Subsection also states that when a nonconforming use is changed to a conforming use, or is discontinued for a period of one year or more, the use loses its nonconforming status and only conforming uses shall re-occupy the site. The applicant has inquired as to whether the previous nonconforming uses could re-occupy the site given that the prior uses were only discontinued in order to allow for construction of the replacement structures and that replacement was required due to the deteriorated nature of the prior structures. Staff is open to allowing the prior office use in Building A to continue as a nonconforming use subject to Planning Commission confirmation, given that the office use was only abandoned in order to facilitate construction of the new/replacement buildings. However, the other newly constructed buildings were required by the 2014 Coastal Development Permit to have OM-1 uses and SBMC §28.87.030.E is not applicable to those buildings.

E. LOCAL COASTAL PLAN AND COASTAL ACT CONSISTENCY

Specific findings regarding consistency with the Coastal Act and City Local Coastal Plan (LCP) are not required for this request; however, the background is important in making the requested decision.

The project site is located in Component 5 of the City’s LCP. This area is bordered by the existing Southern Pacific railroad right-of-way to the south, Garden Street to the west, U.S. 101 to the north, and Salsipuedes Street to the east and is designated Ocean Oriented Industrial,
II. ENVIRONMENTAL REVIEW

Transportation Division staff analyzed the redeveloped site in 2014 and found that the anticipated amount of additional traffic generated from industrial uses on site and a slight increase in building floor area would not have a project-specific or a cumulative traffic impact. A construction material and lumber yard would not generate traffic impacts as the use would be consistent with historical uses on the property and a majority of the square footage (92%) would be used as warehouse.

Therefore, the Environmental Analyst has determined that the project is exempt from further environmental review pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15301, Existing Facilities. Section 15301 consists of operation, repair, maintenance, permitting, etc., involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. There is no new construction and the proposed use as a construction materials company and lumber yard involves negligible expansion of the historic uses on the site.

III. DESIGN REVIEW

This request for a CUP does not include any alterations to the existing buildings and is therefore exempt from design review by the Architectural Board of Review.

IV. FINDINGS

Required findings for project approval:
A. In order to approve the project, the Planning Commission must find the following in support of the Conditional Use Permit (SBMC §§28.94.020 and 28.94.030.X):

1. Any such use is deemed essential or desirable to the public convenience or welfare and is in harmony with the various elements or objectives of the Comprehensive General Plan;

2. Such uses will not be materially detrimental to the public peace, health, safety, comfort and general welfare and will not materially affect property values in the particular neighborhood involved;

3. The total area of the site and the setbacks of all facilities from property and street lines are of sufficient magnitude in view of the character of the land and of the proposed development that significant detrimental impact on surrounding properties is avoided.

4. Adequate access and off-street parking including parking for guests is provided in a manner and amount so that the demands of the development for such facilities are adequately met without altering the character of the public streets in the area at any time.

5. The appearance of the developed site in terms of the arrangement, height, scale and architectural style of the buildings, location of parking areas, landscaping and other features is compatible with the character of the area. The Planning Commission shall have the authority to approve the design of open space. Design shall mean size, shape, location and usability for proposed private, public, or quasi-public purposed and development. Approval of such open spaces may be expressly conditioned upon an offer of conveyance by the owner to the City of Santa Barbara of the development rights, the right to prohibit the construction of additional buildings, or other property rights, necessary to achieve the purpose set forth in this title.

6. Compliance with any additional specific requirements for a conditional use permit.

   (a) The use is compatible with ocean-dependent or ocean-related uses; and

   (b) The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses. This finding shall be substantiated by competent evidence determined by the Planning Commission to be objective which includes no present or future demand for ocean-dependent or ocean-related uses.

Attachments:

A. Applicant's letter, dated December 10, 2018
B. Site Plan
C. Staff Report dated April 23, 2014
D. Staff Hearing Officer Resolution No. 024-14
E. OM-1 Zone Map
F. Local Coastal Plan Implementation: Ocean-Oriented Industrial Zone
G. Economic Analysis prepared by Radius dated November 14, 2018
December 10, 2018

City of Santa Barbara Planning Commission
c/o Allison DeBusk, Senior Planner
Community Development Department, Planning Division
630 Garden Street
Santa Barbara, CA 93101

SUBJECT: Development Application Review Team (DART) Submittal for a Conditional Use Permit to allow BMC - Building Materials and Construction Solutions’ to occupy the site at the 35 N. Calle Cesar Chavez property (APN: 017-113-004), in the City of Santa Barbara.

Dear Planning Commissioners:

On behalf of the property owner, Verde Ventures, LLC and BMC - Building Materials and Construction Solutions (herein “BMC”), as tenant, we are pleased to submit this Development Application Review Team (DART) submittal for a Conditional Use Permit (CUP) to allow the proposed BMC use to occupy the site located at 35 N. Calle Cesar Chavez, in the City of Santa Barbara (herein “Subject Property”).

This letter provides property and background information, a detailed project description, requested entitlements, CUP findings, environmental considerations, and justification of the proposed use of the Subject Property.

1.0 PROPERTY INFORMATION

The property is located at 35 N. Calle Cesar Chavez within the City’s Waterfront - East Beach neighborhood. The property is approximately 28,370 square feet in size and identified as Assessor Parcel Number 017-113-004. The property is bordered by the Vercal Building to the south, Yanonali Street and, the Santa Barbara Rescue Mission to the north, the City of Santa Barbara El Estero Wastewater Treatment plan to the west, and Calle Cesar Chavez and building supply firms and a fueling station to the east. There are no OM-1 uses to the East, West, North or South of the Subject Property.
The property has a General Plan designation of General Urban – Ocean Related Industrial, with a Zoning designation of OM-1, Ocean - Oriented Light Manufacturing. The Coastal Plan designation is Ocean Oriented Industrial.

The property was originally developed when the zoning was M-1. The light industrial/commercial type uses that operated on the property over the last 30 plus years became legal non-conforming when the City rezoned the property from M-1 to OM-1. Prior to the recent approval to rebuild some of the buildings onsite, the site contained a cabinet shop, storage building, outdoor material storage, auto repair, and a small office building. The small office building and 21-space surface parking lot remain onsite.

BMC had previously pursued use of the site based upon the old buildings/uses, but when it was determined that the previous buildings were of substandard condition and not up to code, and it would be cost prohibitive to bring the existing buildings into compliance with current codes, BMC became interested in the property only following new construction.

The new buildings are specifically designed to accommodate storage of materials as the new buildings have a raised floor to comply with flood hazard zone requirements applicable to the property.

The property owners have invested or assumed a debt in excess of $6.5 million to purchase, renovate, and clean-up the subject property (see details in Exhibit A – Radius Letter).

2.0 BACKGROUND

City Staff Hearing Officer (SHO) approved Resolution No. 024-14 on April 30, 2014 to allow for the demolition and reconstruction of two one-story warehouse buildings (Buildings C and D) in approximately the same location and to permit an “as-built” warehouse building (Building B); an existing office building (Building A) and an existing twenty-one space surface parking lot remained onsite (see Site Plan). After SHO approval, it was determined that it made better sense to remove and replace Building B due to extensive requirements necessary to make Building B compliant with the flood hazard regulations. The property was also subject to extensive and costly soil investigations (18 borings) and remediation (removal of approximately 5,472 tons of soil) prior to construction of the recently completed project.

The table below provides a breakdown of the existing/previous buildings and newly rebuilt buildings, as well as required and provided parking on site.
BUILDING AND PARKING STATISTICS

<table>
<thead>
<tr>
<th>BUILDINGS</th>
<th>Existing</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building A (office)</td>
<td>875 sq. ft.</td>
<td>No change</td>
</tr>
<tr>
<td>Building B (warehouse)</td>
<td>1,341 sq. ft. (demo)</td>
<td>1,341 sq. ft.</td>
</tr>
<tr>
<td>Building C (warehouse)</td>
<td>3,154 sq. ft. (demo)</td>
<td>3,626 sq. ft.</td>
</tr>
<tr>
<td>Building D (warehouse)</td>
<td>3,106 sq. ft. (demo)</td>
<td>3,106 sq. ft.</td>
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<table>
<thead>
<tr>
<th>PARKING</th>
<th>Parking Required</th>
<th>Parking Provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Space (Building A) (875 sq. ft.)</td>
<td>3.5 spaces (1 / 250 sq. ft. floor area)</td>
<td>4 spaces</td>
</tr>
<tr>
<td>Warehouse (Building B) (1,341 sq. ft.)</td>
<td>2.7 spaces (1 / 500 sq. ft. floor area)</td>
<td>3 spaces</td>
</tr>
<tr>
<td>Warehouse (Buildings C and D) (3,626 sq. ft. + 3,106 sq. ft.)</td>
<td>13.5 spaces (1 / 500 sq. ft. floor area)</td>
<td>14 spaces</td>
</tr>
<tr>
<td>Total Parking</td>
<td>19.7 spaces = 20 spaces</td>
<td>21 spaces</td>
</tr>
</tbody>
</table>

The project was conditioned as follows due to the potential for parking impacts.

**Condition B.2: Use Limitations.** Due to potential parking impacts, uses other than those allowed in the Ocean-Oriented Light Manufacturing (OM-1) are not permitted without further environmental and/or Staff Hearing Officer review and approval. Prior to initiating a change in use, the Owner shall submit a letter to the Community Development Director detailing the proposal, and the Director shall determine the appropriate review procedure and notify the owner.

Pursuant to the above condition, the Owners and BMC submitted a letter to the City requesting a determination of the appropriate review for the proposed BMC use. The owners and BMC received a response letter from the City stating that the appropriate process is to submit an application for a Conditional Use Permit through the City’s DART process.

### 3.0 PROPOSED PROJECT - BMC

BMC is one of the nation’s leading providers of diversified building products and services to professional builders and contractors in the construction market. The Company’s comprehensive portfolio of products and services spans building materials, marine products/applications (including decking, hardwoods, salt water/air hardware, etc.) and millwork and structural component manufacturing capabilities.
BMC is heavily engaged in community relations and actively supports and participates with local organizations, such as the Boys and Girls Club, Surf Rodeo, Heal the Bay, and coastal clean-up activities. BMC donated services/resources for the Thomas Fire Benefit Festival in Ventura.

BMC’s operation is primarily targeted to licensed professional contractors. BMC would utilize Building A as an office and point for contractors to check-in to order materials. Buildings B, C, and D would be utilized as warehouses with racking systems to accommodate storage of various products (refer to floorplans). BMC would be staffed by 7-8 employees during the day. Employees would assist in taking orders and retrieving materials from the warehouses to fill orders made by contractors.

Off-street parking is available onsite and includes twenty-one surface parking spaces. As part of the above-referenced April 30, 2014 SHO approval, the City utilized a parking demand ratio of 1:500 for Buildings B, C, and D, which is greater than what would be required for warehouse/storage uses that typically range between 1:1,000 to 1:5,000. Building A utilized a parking demand of 1:250, which is consistent with an office/customer service type use. As a result, the BMC use is consistent with the parking demand used for the site and would not create any parking impacts.

The BMC use would not be anticipated to generate any new traffic impacts as the use would be consistent with historical uses on the property. Furthermore, a majority of the square footage (92%) is for warehousing of materials.

4.0 OM-1 ZONE DISTRICT

The subject property was rezoned from M-1 to the OM-1 Ocean-Oriented Light Manufacturing zone district in 1986. Pursuant to SBMC Section 28.73.030.B, uses that are allowed in the M-1 Zone can be permitted in the OM-1 Zone subject to the issuance of a Conditional Use Permit (CUP). The BMC use is an allowed use in the M-1 Zone pursuant to SBMC Section 28.72.030.813 (building materials new and used).

5.0 REQUESTED ENTITLEMENTS

The discretionary approval required for the proposed BMC use is:

- A Conditional Use Permit (SBMC 28.94) to allow the proposed uses in the OM-1 Zone.

6.0 CONDITIONAL USE PERMIT

As noted above, the BMC use requires a CUP. A CUP may be granted by the Planning Commission subject to meeting the following CUP Findings pursuant to SBMC Section 28.94.020 and additional CUP Findings pursuant to SBMC Section 28.73.030.
1. Any such use is deemed essential or desirable to the public convenience or welfare and is in harmony with the various elements or objectives of the Comprehensive General Plan.

   The BMC use is an allowable use under the M-1 zone district and is in harmony with applicable policies of the Santa Barbara General Plan. The BMC use will provide a desirable and convenient service to the community.

2. Such uses will not be materially detrimental to the public peace, health, safety, comfort and general welfare and will not materially affect property values in the particular neighborhood involved.

   The site has been used for M-1 zone type uses for over 30 years. The BMC use will not materially be detrimental to the public health and safety of the neighborhood and will not affect property values as surrounding parcels are developed with similar industrial type uses.

3. The total area of the site and the setback of all facilities from property and street lines are of sufficient magnitude in view of the character of the land and of the proposed development that significant detrimental impact on surrounding properties is avoided.

   The 28,370 square foot property is located within an existing industrial type area and the ABR approved reconstruction of some of the buildings onsite respects all required setbacks. The site also provides adequate on-site parking to meet the parking demand of the proposed BMC use. The BMC use would be compatible with adjacent uses and would not be detrimental to surrounding properties.

4. Adequate access and off-street parking including parking for guests is provided in a manner and amount so that the demands of the development for such facilities are adequately met without altering the character of the public streets in the area at any time.

   Access to the site will remain unchanged and is adequate for the BMC use. Adequate space is available on-site for required parking and delivery of materials. As described above in this letter, the parking demands of the BMC use are met on-site. The BMC use will not negatively alter the character of the public streets.

5. The appearance of the developed site in terms of the arrangement, height, scale and architectural style of the buildings, location of parking areas, landscaping and other features is compatible with the character of the area. The Planning Commission shall have the authority to approve the design of open space. Design shall mean size, shape, location and usability for proposed private, public or quasi-public purposes and development. Approval of such open spaces may be expressly
conditioned upon an offer of conveyance by the owner to the City of Santa Barbara of the development rights, the right to prohibit the construction of additional buildings, or other property rights, necessary to achieve the purposes set forth in this title.

*Portions of the site have been recently rebuilt and the design of the new buildings were reviewed and approved by the City’s Architectural Board of Review that ensured consistency with applicable design and landscape guidelines.*

6. Compliance with any additional specific requirements for a conditional use permit.

The BMC use is also consistent with the specific requirements/findings for a conditional use permit to allow an M-1 use in the OM-1 Zone (SBMC Section 28.73.030), as identified below.

a. The use is compatible with ocean-dependent or ocean-related uses.

   *The property has been used for non-ocean related light industrial type uses for more than 30 years. The BMC use will not conflict and will be compatible with existing or future ocean-dependent or ocean-related uses as the use will not generate significant noise, smoke or traffic. The BMC use also has many ocean-related applications that include construction materials for piers, docks, shoring, boardwalk and a variety of building structures (e.g., naval, fire stations, boatyards, etc.), including the following marine projects: Channel Islands National Park, Ventura Harbor Marina, Carpinteria Beach, Ventura Pier, Point Mugu, Port Hueneme Naval Base and the Colony at Mandalay Beach.*

b. The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses. This finding shall be substantiated by competent evidence determined by the Planning Commission to be objective which includes no present or future demand for ocean-dependent or ocean-related uses.

   *The site has always been used for non-ocean related uses. The reconstructed metal buildings with no HVAC are located in an existing flood hazard zone. There is currently no demand from ocean-related or ocean-dependent uses for these buildings. Radius Commercial Real Estate ("Radius"), who is representing the property owner, marketed the subject property since early April 2018 and despite over 7,000 views, received no interest from ocean-related uses (see Exhibit A – Radius Letter). Radius marketed the three rebuilt buildings down to 1,200 sf size, which is the smallest division given access to restrooms and entry/roll up doors. Radius did not receive any interest from any ocean-dependent and ocean-related uses for small, large, or entire site tenants. There is no present interest and any future interest of*
ocean-dependent and ocean-related uses is unlikely. This is demonstrated by the closure of Boater’s World due to the lack of demand and poor sales.

Radius received letters from other commercial real estate firms confirming no interest from ocean-related type uses for the property and/or in general (see Exhibit B – Commercial Real Estate Letters).

Furthermore, the substantiated costs associated with the extensive soil investigations and soil remediation onsite, as well as the costs of construction of the rebuilt buildings, which required 36 caissons be installed, the site has no feasible economic value if the property use is limited to ocean-dependent or ocean-related uses. These buildings are well suited for BMC’s use, which can occupy metal buildings without HVAC that are in an existing flood hazard zone.

Without the CUP and the economic use it will allow, the property owner will be forced into bankruptcy (emphasis added).

7.0 ENVIRONMENTAL CONSIDERATIONS

Traffic/Circulation:

A City prepared traffic analysis was completed for the subject property, as part of review and approval of the redevelopment project onsite, which indicated that the anticipated amount of additional traffic generated from industrial uses onsite due to a slight increase in building floor area, will not have a project-specific or a cumulative traffic impact. Therefore, the BMC use will not be anticipated to generate traffic impacts, as the use will be consistent with historical uses on the property, as well as, a majority of the square footage (92%) is for warehousing of materials.

8.0 JUSTIFICATION OF PROJECT

BMC is pursuing this property because of its excellent location and size, and we believe the proposed use, as outlined in this letter, is consistent with historical uses on the property and allowable uses under the M-1 zoning. The BMC use is less intense than historical uses operating at the property, making it compatible within the neighborhood, as it would not generate parking or traffic impacts. Securing this site will also aid in the rebuilding of damaged property from the Thomas Fire and Montecito Mudflow. Currently BMC services the Santa Barbara area from their Ventura location; the location at 35 N. Calle Cesar Chavez would reduce truck trips along the 101 Freeway.
We trust this letter demonstrates that the BMC use is an allowed use in the M-1 zone and can be permitted in the OM-1 zone subject to the issuance of a CUP.

As described above, the proposed Project meets all the required findings, similar to other projects the City of Santa Barbara has approved and permitted for M-1 allowed uses (therefore City precedent has been made) as listed below.

**103 S. Calle Cesar Chavez (please see staff report and applicant letter attached as Exhibit C):**

- August 30, 2007, the City approved a CUP for a private parking lot for American Tradition, LLC on OM-1 zoned land. City cited due to costs of soil remediation, it would be difficult to offset the costs with a typical low revenue generating use, such as ocean-related and dependent uses allowed in the OM-1 zone; and therefore, made the findings to approve the CUP and to authorize the private employee parking lot.

- June 7, 2018, the City approved a SCD for American Tradition, LLC to replace private employee parking lot with approved of a new permanent 3-story, 10,416 square foot “back-of-house” building on a portion of the property previously identified for private parking per the CUP approved in 2007. City staff reiterated that the costs of soil remediation on the property would make it difficult to offset the costs with a typical low revenue generating use, such as ocean-related and dependent uses allowed in the OM-1 zone. As a result, the “back-of-house” uses were allowed and staff determined no need to make findings again per the CUP.

**Fire Training Facility (please see staff report attached as Exhibit D):**

- June 11, 2015, the City approved a CUP to allow the construction of 4,646 square feet of new nonresidential development for a nonconforming use as a Fire Training Facility in the OM-1 zone. City staff noted in their findings that there was no economic feasible value if limited to ocean-related uses due to potential conflicts with the existing adjacent wastewater treatment facility. City staff also noted that there is currently no demand from any City enterprises for an ocean-related or ocean-dependent use of the remaining one-acre portion of the site.

**Rescue Mission (please see staff report attached as Exhibit E):**

- December 12, 1996, the City approved a CUP to allow an expansion to the legal non-conforming Rescue Mission facility in the OM-1 zone. On November 10, 2016, the City approved an amendment to the CUP to allow a reduction in offsite parking for the Rescue Mission. City staff determined that the findings made in 1996 could still be made as part of the CUP amendment for reduced offsite parking, and therefore, did not make the additional CUP findings per SBMC 28.73.030.B.
On behalf of Verde Ventures, LLC and BMC, we would like to thank the Commission for its time and consideration, and respectfully request the Commission’s support of the requested approval. Should you have any questions or require additional information regarding our application, please do not hesitate to contact me at (805) 308-8533 or by e-mail at jcuykendall@dudek.com.

Sincerely,
DUDEK

John T. Cuykendall
Project Manager/ Environmental Planner

cc: Jaime Melgoza
    Mark Rabatin
    Ted Hopkins, BMC
    Doug Fell, Fell Marking
    Ken Marshall, Dudek

Exhibit A: Radius Letter
Exhibit B: Commercial Real Estate Letters
Exhibit C: 103 S. Calle Cesar Chavez Staff Report and Applicant Letter
Exhibit D: Fire Training Facility Staff Report
Exhibit E: Rescue Mission Staff Report
EXHIBIT A

Radius Letter
November 14, 2018

Doug Fell
222 E. Carrillo St., Ste. 400
Santa Barbara, CA 93101

RE: 35 N. Calle Cesar Chavez, Santa Barbara, CA 93103

Dear Doug,

I am writing you regarding our efforts to lease the property located at 35 N Calle Cesar Chavez to Ocean-Related/Ocean-Dependent OM-1 uses. All we do at Radius is professionally lease and sell Santa Barbara area commercial properties and we have excellent credentials and experience (www.radiusgroup.com). In early April of this year we put the subject property on the open market for lease targeting those marine related uses allowed within the City of Santa Barbara’s Ocean-Related/Ocean-Dependent OM-1 Zone (see attached flyer).

The economics that translated into our asking lease rate are as follows: $1.45 million land value, $1 million environmental cleanup (ended up closer to $1.5 million), $3 million in construction cost. We then applied a 5% return (most builders look for at least 8%+ given the risk/time) and that equates to a lease rate of $2.64 per square foot triple net (NNN). These rates are in line with comparable properties located at 425 Santa Barbara Street (6,000 sf auto body for $2.65 psf NNN), Tileco at 7 N Nopal (8,200 sf at $1.95 psf NNN) and Aquaflo at 225 S Milpas ($2.50 psf NNN for 8,000 sf) The subject property is brand new construction with unrivaled quality attributes and parking.

Verde Ventures LLC has invested or assumed a debt in excess of $6.5 million (amounts indicated below) to purchase and renovate 35 N Calle Cesar Chavez to City of Santa Barbara and FEMA A Zone Flood design criteria between March 2010 – November 2018:

- $1.45mil Property Purchase
- $305k Verde Ventures LLC (March 2010 – March 2017) supplement loan amount not covered by rental income
- $161.5k Loss of rent income (April 2017 – November 2018) for construction period
- $210k Verde Ventures LLC (February 2017 – November 2018) Property purchase loan payment
- $2.68mil Approvals, Permits, Testing, Design, Engineering and Construction
- $1.33mil RAP Contamination Testing, Monitoring, Construction, Legal, IAQ
- $64.5k Removal of 6 in-grade hydraulic vehicle hoists
- $320k Construction Loan Interest (non-conventional due to contamination)
We have been marketing the subject property in multiple forums, including on the MLS, Loopnet, Costar, Radius’ website, broker flyer distribution and tenant distribution. To date we have had NO inquiries on this OM-1 offering after 6 + months of effort. We reached out to boat builders, seafood processors, boat repair and there has been no interest whatsoever. I will send a follow up analytics with over 150 views on the MLS and over 7,500 views on Loopnet which is a coast to coast service we pay for.

Other commercial brokers in our market asked why we were marketing to a segment with no demand. I let them know about the zoning restrictions and I have received letters from Dan Moll of Hayes Commercial, Greg Bartholomew of Hayes Commercial and Jason Jaegar of Jaegar Partners (attached). Commercial brokers commented on the futility of the offering given the lack of marine demand and the critical demand for Santa Barbara industrial space.

Based upon our marketing experience and the reasonable investment by the Owners in the subject property (land cost/environmental cleanup and new construction) and the demonstrated lack of demand at a rent consistent with the owner’s investment in the property, the subject property has no feasible economic value if the allowed use of the property is limited to uses allowed in the OM-1 Zone.

Respectfully,

Brad Frohling
Principal
Radius Group Commercial Real Estate
205 E Carrillo Suite 100 | Santa Barbara, CA 93101
Direct: 805.879.9613 | Fax: 805.965.5300
Main: 805.965.5500 | Cel: 805.698.0272 | DRE #: 01323736
bfrohling@radiusgroup.com | www.radiusgroup.com
35 N. Calle Cesar Chavez
Santa Barbara, CA 93103

For Lease | $2.64/SF NNN

Three brand new marine industrial buildings, each ±9,292 SF.

Brad Frohling
805.879.9613
bfrohling@radiusgroup.com
CA Lic. 01323736

RADIUS
Commercial Real Estate & Investments

205 E. Cabrillo St. Suite 100 | Santa Barbara CA 93101 | 805.965.5500 | Fax 805.965.5100 | RadiusGroup.com
FOR LEASE: NEW MARINE INDUSTRIAL BUILDINGS
35 N. CALLE CESAR CHAVEZ | SANTA BARBARA, CA 93103

PROPERTY OVERVIEW

Three (3) brand new marine industrial buildings are now available for lease with OM-1 permitted uses. Built to the highest degree of industrial quality featuring multiple roll-up doors, soaring ceilings, excellent parking and 3-phase power. Uses include boat sales, storage, construction and/or repair, marine storage, public parking lots, sail manufacturing and repair, seafood processing and wholesaling or household hazardous waste collection. Each of the ±9,292 SF buildings are divisible down to approximately ±1,200 SF. Ready for June occupancy. Contact Listing Agent for details.

Lease Rate ➔ $2.64/SF NNN
Type ➔ Marine Industrial
Building Sizes ➔ (3) New buildings, each ±9,292 SF
Lot Size ➔ ±28,350 SF
Year Built ➔ 2018
Zoning ➔ OM-1
Parking ➔ 21 spaces
FOR LEASE | NEW MARINE INDUSTRIAL BUILDINGS
35 N. CALLE CESAR CHAVEZ | SANTA BARBARA, CA 93103

LOCATION

Brad Frohling
805.879.9613
bfrohling@radiusgroup.com
CA Lic 01323735

RADIUS
Commercial Real Estate Investments
EXHIBIT B

Commercial Real Estate Letters
June 20, 2018

Brad Frohling  
Radius Group Commercial Real Estate  
205 E Carrillo Street, Suite 100  
Santa Barbara, CA 93101

Via Email: bfroming@radiusgroup.com

Dear Brad:

I am aware of your listing at 35 N Calle Cesar Chavez with the OM1 Zoning/marine industrial use restrictions. Having been active in the commercial brokerage in Santa Barbara for over 25 years, I can only remember a couple of requirements that fit in that zoning — and none close to the size of your property. The restrictive zoning seems obsolete for our market - especially for this property that is located so far from the harbor services. Given the dearth of simple, straightforward M-1 industrial space in our market, I feel that your restrictive lease offering is completely counter to what the market actually needs in Santa Barbara.

Please call me if you have any questions.

Sincerely,

HAYES COMMERCIAL GROUP, INC.

Greg Bartholomew

(805) 898-4395
July 3, 2018

Doug Fell
222 E Carrillo St, 4th floor
Santa Barbara, CA 93101

Re: OM1 zoning

Dear Doug,

I have been openly marketing the new industrial buildings at 35 N Calle Cesar Chavez for about two months as Marine Industrial. We have been offering the space divisible down to 1,200 sq feet so not to eliminate the smaller marine trades. Our marketing efforts include broker communication, MLS, Loopnet, Co-star, online, MLS, company online marketing and tenant mailers/correspondence. I have reached out to active commercial brokers via phone and have had no interest from marine industrial uses. Frankly several brokers asked me why this obscure zoning existed when our customary industrial is at a crisis level with virtually nothing available for local business.

In valuing the lease rate we are asking, I factored the land value of $2 million (low), $1 million environmental cleanup and $2.9 million in construction cost. I then applied a 5% return on investment (most developers look for 8-12% due to risk) and that equals the lease rate we are asking. I have enclosed a few letters from respected/established commercial brokers on this property and zoning for reference and review by the city. I have seen no current or future demand for this type of use whatsoever.

Please let me know if you have any questions.

Brad Frohling
Principal
Radius Group Commercial Real Estate
205 E Carrillo Suite 100 | Santa Barbara, CA 93101
Direct: 805.879.9613 | Fax: 805.965.5300
Main: 805.965.5500 | Cell: 805.898.0272 | DRE #: 01323736 | bfrohling@radiusgroup.com | www.radiusgroup.com
June 28, 2018

Mr. Brad Frohling
Radius Commercial Real Estate
205 E. Carrillo Street
Santa Barbara, CA 93101

RE: Marine Zoning in Santa Barbara, California.

Dear Brad, City Council members, and the City of Santa Barbara:

Our firm, Jaeger Partners Commercial Real Estate, currently manages and leases a commercial real estate portfolio in excess of 500,000 sf in Santa Barbara, Carpinteria and Goleta. Quite a large portion of our portfolio is made up of industrial properties. Based on my recollection and talking with staff in our office, we could not think of ONE (1) single instance whereby a prospective tenant had marine related use or need.

To be frank, in our opinion, the marine zoning overlay is an out of date zone and needs to be eliminated immediately. By limiting a property to marine industrial use, the City of Santa Barbara limits greatly the potential of the Property, which in turn becomes problematic for commercial property owners, and new businesses trying to create additional jobs in Santa Barbara. General industrial use, on the other hand, allows a lot of great uses, and helps new businesses flourish, which also directly benefits the City of Santa Barbara.

I strongly urge the City Council and the leaders of the City of Santa Barbara to address this issue immediately. Mr. Frohling has a viable tenant interested in a property, which will be a huge benefit to the community. Why not do everything in your power to work with him?

Sincerely,

Jason D. Jaeger, Principal
Jaeger Commercial Real Estate, Inc. DBA Jaeger Partners
21 E. Carrillo Street, Suite 270
Santa Barbara, CA 93101
EXHIBIT C

103 S. Calle Cesar Chavez

Staff Reports
PLANNING COMMISSION
STAFF REPORT

REPORT DATE: July 10, 2007
AGENDA DATE: July 19, 2007
PROJECT ADDRESS: 103 S Calle Cesar Chavez (MST2004-00791)
                   Waterfront Hotel Parking Lot
TO: Planning Commission
FROM: Planning Division, (805) 564-5470
      Jan Hubbell, AICP, Senior Planner
      Peter Lawson, Associate Planner

I. PROJECT DESCRIPTION

The proposed project is for the construction of a 106-stall parking lot with a 100 square foot kiosk with a key box on a vacant lot. The parking lot would provide part of the required parking for the approved Waterfront Hotel located to the south of the site at the corner of Calle Cesar Chavez and Cabrillo Boulevard. As part of the project, a portion of the El Estero Drain located on the project site would be restored. This would include removal of non-native vegetation both in the drain and within approximately five to twenty feet from the top of bank. A detention basin, designed to handle a 25-year storm event, would capture runoff from the parking lot. Additionally, due to soil contamination on the project site, a remediation program is proposed. The remediation would consist of "hot spot" removal. Approximately six locations for removing soil to varying depths have been identified. However, there is no soil remediation proposed in the El Estero Drain. Access to the site would be directly from Calle Cesar Chavez.

II. BACKGROUND

As stated above, the parking lot would provide part of the parking for the approved Waterfront Hotel, located to the south of the project site at the corner of Calle Cesar Chavez and Cabrillo Boulevard. In 1993, the City approved a Specific Plan Amendment and other land use permits to allow the 150-room hotel, along with a 10-acre park and 75-bed hostel (now a 100-bed hostel, per a Coastal Commission requirement). Per the conditions of approval, the park and hostel were to be completed prior to the opening of the hotel. The conditions contemplated the use of this property to provide parking for the hotel. In 1995, Mr. Parker requested an agreement to extend the time of his approvals with the City because there was limited financing available for hotel development. As required by the Development Agreement, certain costs and donation of the park property would be provided immediately, in exchange for extending the approvals for his hotel and hostel from 1997 to 2007. The City approved this change. That action allowed the Waterfront Park (Chase Palm Park Expansion) construction to proceed. Since the approval of the Development Agreement, the following actions have been completed or initiated by Mr. Parker:
Both land and fees to complete the Waterfront Park were provided by American Tradition.

Calle Cesar Chavez, formerly known as Salsipuedes Street, is completed, which now connects to Cabrillo Boulevard.

Garden Street was connected to Cabrillo Boulevard.

Improvements to the area drainage on the hotel and park sites were completed and connected to a Santa Barbara County Flood Control drainage project.

On June 25, 2007, minor changes to the hotel, including moving the underground parking to the proposed project site, were determined to substantially conform to the originally approved project plans. The number of rooms continues to remain the same. (Please note, this change is the last of several changes reviewed by the Planning Commission since 1995.)

A building permit application for foundation and grading on the proposed hotel was submitted on April 12, 2007.

A building permit application for soil remediation on the hotel site was submitted on May 3, 2007 (note: an application was submitted for review to Santa Barbara County Fire Department Site Mitigation Unit in April 2007).

A building permit application for the building shell and core was submitted on June 14, 2007.

On June 25, 2007, changes to the Youth Hostel were determined to be in substantial conformance with the originally approved project plans.

On May 3, 2007, an application for a building permit to construct the youth hostel was submitted and corrections have since been returned to the applicant.

III. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

1. A Coastal Development Permit (CDP2007-00007) to allow development in the non-appealable jurisdiction of the Coastal Zone (SBMC §28.44.060) and;

2. A Conditional Use Permit to allow development other than that specifically expressed in the Ocean-Oriented Light Manufacturing Zone (SBMC §28.73.030.B);
IV. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rick Fogg</th>
<th>Property Owner</th>
<th>American Tradition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parcel Number</td>
<td>017-133-020</td>
<td>Lot Area</td>
<td>98,581 s.f. (2.26 acre)</td>
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<td>General Plan</td>
<td>Vacant</td>
<td>Zoning</td>
<td>OM-1/SD-3</td>
</tr>
<tr>
<td>Existing Use</td>
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<tr>
<td>Adjacent Land Uses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>North – Office/Warehouse</td>
<td></td>
<td>East – Laguna Sanitation</td>
<td></td>
</tr>
<tr>
<td>South – Union Pacific RR</td>
<td></td>
<td>West – Open yard recycling center</td>
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</tr>
</tbody>
</table>

B. PROJECT STATISTICS

<table>
<thead>
<tr>
<th></th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Spaces</td>
<td>0</td>
<td>111 spaces</td>
</tr>
<tr>
<td>Structural Development</td>
<td>None</td>
<td>Trellis area with security key box</td>
</tr>
</tbody>
</table>
V. ZONING ORDINANCE CONSISTENCY

The proposed project would meet the requirements of the Ocean-Related Manufacturing (OM-1) Zone. However, a Conditional Use Permit would be required since public parking lots are allowed, but there is no specification for a private parking lot. As stated in the OM-1 Zone district:

A Conditional Use Permit may be granted by the Planning Commission or City Council on appeal, for such uses in the OM-1 Zone in accordance with the provisions of Chapter 28.94 of this Code, subject to the following additional findings:

1. The use is compatible with ocean-dependent or ocean-related uses; and

2. The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses. This finding shall be substantiated by competent evidence determined by the Planning Commission to be objective which includes no present or future demand for ocean-dependent or ocean-related uses.

The private parking lot would be compatible with other uses allowed in the OM-1 Zone District, since noxious odors associated with seafood processing would not impact the parking area. The majority of the property includes wetlands, so it may be difficult to fully develop the lot consistent with the allowed uses on the project site. Although the total lot area exceeds two acres, due to the wetlands and the lot configuration, the developable area is substantially less; about the area proposed for the paved parking lot, 0.50 acres could be developed. The allowed uses under the OM-1 Zone District include:

1. Boat sales, storage, construction and/or repair;
2. Marine storage;
3. Public parking lots;
4. Sail manufacturing and repair;
5. Seafood processing and wholesaling;
6. Household hazardous waste collection facility as defined in Section 28.04.295 of this Title.
7. Other ocean-related uses deemed appropriate by the Planning Commission.
8. Wastewater/sanitation treatment facilities and other essential public service facilities owned and operated by the City of Santa Barbara. (Ord. 4825, 1993; Ord. 4429, 1986; Ord. 4171, 1982.)

Most of the uses require substantial area to accommodate their activities, as well as parking to meet their demand and would be very unlikely to be interested in a parcel of this size with such limited development area. Additionally, the parking lot supports the hotel, which is a visitor-serving use, another high priority under the Coastal Act.
VI. ISSUES

A. SITE SOIL REMEDIATION

The project site has both soil and ground water contamination. A number of soil and ground water tests were conducted on the project site, as well as the hotel site, consistent with both the Santa Barbara County Fire Department Site Mitigation Unit and Regional Water Quality Control Board (RWQCB) requirements. All of the testing data for both the hotel site and the parking site was initially submitted to the Fire Department under a single Remedial Action Plan (RAP) application in April 2007. Subsequent to the application submittal, a meeting at the RWQCB offices with all parties occurred on May 29, 2007, where comments on the application were provided. At the conclusion of the meeting, the RWQCB agreed that Santa Barbara County Fire would be the lead agency on the project if the applicant followed the comments provided at the meeting. On June 20, 2007, an updated RAP was submitted to County Fire for their review, which is currently underway. The initial recommendation of the most recent report is that the contamination will be removed selectively, rather than grading the entire site. Additionally, no contamination was found in the El Estero Drain, thus no grading shall occur in this area. Given the proposed use of the site as a parking lot, the lack of soil contamination in the El Estero Drain and the small amount of pollutants found on the site, the soil contamination does not appear to impede proceeding forward with the project.

B. EL ESTERO DRAIN RESTORATION

The portion of the El Estero Drain on the project site is bounded by Calle Cesar Chavez on the east, Union Pacific Railroad to the south and a City-owned property to the west. The El Estero Drain is highly disturbed by both human activity and non-native plants. However, this area is also a habitat for the Southwestern pond turtle. As proposed under a restoration plan, prepared by URS, dated May 2007, the drain will be restored as well as an area of approximately 25 feet from the north side of the top of bank and between five and fifteen feet from the south side of the top of bank. Additionally, a fence will be constructed on either side of the drain up to approximately 25 feet from the top of bank to prevent any further human activity within the drain area. Other enhancements of the drain area will include a detention basin down slope of the proposed parking area to provide a filter for runoff.

C. ENVIRONMENTAL REVIEW

Environmental issues being considered with the parking lot project include visual, biological and traffic concerns. Staff anticipates that environmental review will be through an addendum to an Environmental Impact Report (EIR), dated June 18, 1993, which was prepared by Dudek and Associates for the Waterfront Hotel, the Waterfront Park and the Youth Hostel. The EIR includes some characterizations of the surrounding area, including traffic impacts on surrounding intersections, quality of adjacent wetlands and visual quality of the area. The following is a detailed description of the three issue areas identified and how the project would either be an improvement or not cause further impacts.

Traffic
The original hotel project description included underground parking on the hotel site, as well as parking on the western portion of the Doubletree site, located directly across Calle Cesar Chavez. As proposed under the current Waterfront Hotel substantial conformity, the underground parking would shift to the proposed parking lot to the north, which would be used primarily for employees. Both parking lots would be served by valets. On the proposed parking lot, employees would arrive in the parking lot and drop off their cars with the valets, then proceed on foot to the hotel. Because there would be dedicated personnel to park autos, the proposed "stacked" parking spaces would be acceptable. For guests of the Waterfront Hotel, they would arrive on site and leave their cars with the valets. Most of the hotel guest autos would be parked on the Double Tree lot. There would be approximately ten to twelve parking spaces on the hotel site to allow queuing while the cars are being parked, as well as dedicated handicap parking.

There is no change in the number of hotel rooms, thus hotel traffic and parking impacts, as reviewed in the EIR, would remain the same. Shifting the parking off site would have minimal traffic impacts. Since the EIR was prepared, both Garden Street and Salisipuedes (now Calle Cesar Chavez) were connected to the Waterfront, providing more options for entering and exiting the Waterfront area. Calle Cesar Chavez, where the project site is located, is not considered a main artery to and from the Waterfront, but a local access to the industrial areas on the north and south sides of the 101 Freeway. The industrial traffic on or near Calle Cesar Chavez arrives from or departs to the 101 Freeway to the north, either via the Milpas exit or Garden Street exit. Thus, the lower portion of Calle Cesar Chavez at the intersection of Cabrillo Boulevard would mainly serve the Doubletree and the approved hotel site. A parking and traffic study, dated January 18, 2007, was prepared by ATE and no significant impacts were found with the new parking lot location.

Visual

As discussed in the EIR, the hotel site and surrounding area was visually degraded, with buildings in various states of deterioration and some homeless camps on site. Additionally, the uses and buildings to the north of the project site reflect the industrial zoning of that neighborhood. Since the Waterfront Park was constructed, the visual landscape along the waterfront has improved greatly. The EIR acknowledged that the proposed hotel would reduce the views of the Riviera to the north, thus the recently approved substantial conformity determination for the revised hotel plans ensured there would be no changes to the originally approved height of the structure. The proposed parking lot would be located on the north side of the hotel and would not be visible from the public areas along the Waterfront. There are no significant above grade structures other than light posts proposed for the parking lot and a covered valet shelter, with a bench and a secure key box, which would be constructed at the western end of the parking lot. The landscaping and restoration plans proposed for the parking lot would add to the aesthetic improvements as viewed from Calle Cesar Chavez. The entire length of the El Estero Drain, as discussed below, would be improved and landscaping along
Calle Cesar Chavez would reduce the visual impacts of the parking lot. The project was reviewed by the ABR on July 2, 2007 and a copy of the minutes is attached.

Biological

The project site includes a significant portion of the El Estero Drain, which eventually intersects with the Laguna Drain to the west. The EIR characterized the wetlands of this area as degraded and included mitigations to improve the wetlands on the park site, which have now been completed. Additionally, under a separate project, the El Estero Wastewater Treatment Plant property includes a proposal to improve portions of the El Estero Drain. This project would provide a missing link in the improvement of the wetlands in the area. A habitat restoration plan, dated May 2007, was prepared by URS and includes removal of non-native vegetation and debris to be replaced with native plant material. The proposed project will include monitoring to ensure protection of the Southwestern pond turtle during restoration. Additionally, a drainage plan prepared by MAC Design includes a detention basin that is capable of handling runoff from a 25-year storm event. The detention basin and the down slope natural swale would filter pollutants from the parking area before entering the El Estero Drain. Finally, a fence would be included along the parking lot to prevent further human activity in the channel.

VII. RECOMMENDATIONS

Staff recommends that the Planning Commission conceptually review the proposed project and provide comments on the proposed project. Staff believes that, while there are issues that need to be addressed, the project will meet General and Local Coastal Plan policies and, with proper conditions could be approved. Please note that this review is not meant to imply any approval of, or formal position on, the proposed project.

Exhibits:
A. Site Plan
B. Applicant's letter, dated
C. ABR Minutes dated July 2, 2007
July 5, 2007

BY EMAIL
Planning Department
City of Santa Barbara
630 Garden Street
Santa Barbara, CA 93101
Attn: Mr. Peter Lawson, Planner

RB: 103 South Cesar Chavez
Project Summary: Proposed Surface Valet Parking Lot in Conjunction with Park Plaza Hotel Waterfront Project

Dear Mr. Lawson:

As you know, I represent American Tradition LLC, the owner of the above-referenced property (the “Parking Parcel”). American Tradition is also the owner of property across the railroad track located at the corners of Cabrillo Blvd. and South Cale Cesar Chavez (having an address of 433 East Cabrillo, and which I will refer to as the “Hotel Parcel”).

This letter provides a supplemental project summary in support of a Master Application for a surface valet parking lot at the Parking Parcel (the “Application”) (MST #2004-00791). This supplements my letter of February 5 addressed to Jan Hubbell and subsequent deliveries to your office in support of the Application.

Because the proposed parking lot is directly tied to the Fan Parker hotel project at the Hotel Parcel, below is a summary of the relationship of this project with the hotel.

Background/Relationship with Parker Waterfront Hotel:

In the early 1990s the Redevelopment Agency and the Fan Parker family jointly pursued development entitlements for the “Waterfront Park/Hotel/Hostel” projects. Beginning in 1993, the Planning Commission, City Council and Coastal Commission granted various approvals for the Waterfront Park/Hotel/Hostel projects. For the Hotel Parcel, the approvals were for development of a 150 room luxury hotel (the “Hotel Project”) located immediately adjacent to the Waterfront Park.

In 1995 and 1996 the Parker Family agreed to sever the Waterfront Park project from the Hotel Project so that construction of the Park could commence. To make this work, the Parker Family deeded approximately
5.5 acres of waterfront land to the RDA for the Waterfront Park. In exchange, the Hotel Project’s approvals were conditionally extended through a Development Agreement. In addition to deeding the land to the RDA for the park, the Parker Family has paid an annual park maintenance assessment since opening of the Chase Palm Park in the late 1990s to maintain the park.

Under the Hotel Project approvals, construction of the hotel can proceed once three general areas are addressed: (1) satisfaction of Conditions of Approval; (2) obtaining design approval from the Historic Landmarks Commission; and (3) obtaining the determination of the Community Development Director that plans for the Hotel Project “substantially conform” to the original project plans.

The Parker Family is very close to completing all three requirements: (1) the current plans for the Hotel Project have been undergoing favorable HLC review in recent months and final design approval is expected shortly; (2) we are actively working with staff to discharge all Conditions of Approval (including pursuit of permits for the required 100 bed hostel at 12 East Montecito Street, which are expected by August 1); and (3) the Community Development Director has determined in writing that the current plans for the Hotel Project “substantially conform” to the original plans. Mr. Casey’s determination was expressly conditioned upon gaining discretionary approvals for the offsite parking at the Parking Parcel.

The present parking lot application at the Parking Parcel is specifically intended to satisfy the Community Development Director’s requirement and also the Conditions of Approval for the Hotel Project.

What follows is a further summary of the proposed parking lot project.

The Site

The Parking Parcel is actually several legally distinct parcels that, taken together, are a triangular shaped property bounded by the railroad right of way to the South, Calle Cesar Chavez to the East, an adjacent building to the North, and after a panhandle stretch from the triangle to the West) to property owned by the City of Santa Barbara. The Parking Parcel is directly across the tracks from the Hotel Parcel, a stone’s throw from Chase Palm Park and Pess Parker’s Doubletree Resort.

The El Paseo drainage course runs along the southerly course of the property. Presently, that drainage area is overgrown with weeds and brush (a substantial portion of which being non-native weeds) and full of homeless encampments and trash from them. That part of the City along the railroad tracks is well-known to local authorities as a “hot zone” for criminal activity. Among its several benefits, the parking project at the Parking Parcel would involve the merger of legal parcels and a substantial clean up of the drainage habitat area and reduction of criminal activity in the area. This will greatly assist the police and fire departments current enforcement activities in the area.
Proposed Use of the Parking Lot

The proposed project is a surface parking lot accessed from Calle Cesar Chavez. The use of the parking lot will be strictly in support of the operation of the Hotel Project. Parking will be 100% valet by full time valet attendants. Employee cars will be parked at the property but parking of employee cars will be done by the valet attendants. The property owner expects to connect the use of the parking lot to the Hotel Project by recorded instrument acceptable to the City.

Environmental and Biological Matters

American Tradition, through its consultants, has been working for months to determine the extent of any hazardous materials at the property. On June 20, 2007 a Remedial Action Plan was submitted to the County of Santa Barbara Hazardous Materials Unit (the "RAP"). The RAP, as subsequently supplemented, calls for the excavation and disposal of a certain volume of soil from the Hotel Parcel and Parking Parcel to restore the condition of the site to the satisfaction of the County authorities. This work, along with corresponding work at the Hotel Parcel, will result in a major improvement to the site and the condition of soil and groundwater.

Likewise the property owner has worked to evaluate the biological resources present at the site, most importantly in the El Estero drainage course. Our consultants have prepared a Habitat Restoration Plan that calls for a substantial improvement of the drainage area through the careful removal of non-native plant species and debris and replanting with native plant-life. This will also improve the drainage course. Substantial fencing would be installed on both sides of the drainage area to restrict access from humans. In addition, our experts have suggested and we have adopted a 25' "buffer zone" between the parking lot and the top of the drainage bank to protect the area from the proposed use of the site for parking.

As a result, the project will substantially improve the environmental resources at and about the property.

Landscaping and Lighting

Substantial landscaping will be done as part of the habitat restoration plan. In addition, we propose to plant a perimeter hedge to screen the property from Calle Cesar Chavez. Because the parking lot would be 100% valet parked, we are requesting that no additional plantings be required within the area of the surface parking lot itself and we will be seeking a waiver of this requirement from ABR. In other words, interior landscaping would not be viewed by anyone and would simply reduce the space for parking. This request makes sense in that so much area within the Parking Parcel is being set aside to protect and improve habitat areas.
Lighting for the parking lot will be by low-level lighting consistent with other area parking lots such as the long-term parking lot at the Santa Barbara Airport. We are working with ABR regarding the location and specific attributes of lighting to provide requisite security without creating unwanted lighting views from the Rvieras and other parts of the City.

**Conditional Use Permit**

The Parking Parcel is located in the OM-1 Zone, Ocean-Oriented Light Manufacturing. According to Santa Barbara Municipal Code Section 28.73, the OM-1 Zone "strives to provide ocean-dependent and related industrial uses in close proximity to the Harbor/Wharf Complex." Pursuant to the zoning ordinance, the proposed parking lot requires a Conditional Use Permit (CUP), which may be approved provided the Planning Commission makes the following findings:

1. The use is compatible with ocean-dependent or ocean-related uses; and
2. The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses.

In the case of the proposed parking lot, these findings can and should be made for the following reasons:

1. **Finding No. 1: The use is compatible with ocean-dependent or ocean-related uses.**
   a. The parking lot will be used for guests of the hotel. Guests of the hotel at the Santa Barbara waterfront will be expected to make substantial use of the ocean-dependent or ocean-related businesses and opportunities available to them in the area. This use, as with public parking in the waterfront, is directly supportive and compatible with ocean-dependent uses.
   b. As part of the project the applicant proposes to remove hazardous materials from the site and to make substantial restorative improvements to the drainage channel. These improvements will significantly improve the ocean-related character of the area and would not be done (because of the absence of a viable alternative project) without this project.

2. **Finding No. 2: The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses.**

The following uses are identified in the Zoning Ordinance as specifically permitted in the OM-1 Zone:

i. Boat Sales, storage, construction and/or repair
ii. Marine Storage
iii. Public parking lots
iv. Sill manufacturing and repair
v. Seafood processing and wholesaling
vi. Household hazardous waste collection facility

a. The project site is triangular in shape (with a narrow panhandle stretching westward to the City's adjacent property), small, and effectively made smaller for usability by the drainage channel that runs its entire course on the southerly edge. Because of size and usage limitations, none of the permitted uses in the OM-1 zone are available to this property. What's more, the County hazardous materials unit would not permit these uses at the site without substantially greater remediation, the cost of which would not itself prohibit the proposed use.

Consider the following in this regard:

- Required yard setbacks and zoning parking requirements limit the buildable area of the site to a level that is insufficient to support the cost of any project.
- Effectively no marine storage could be accommodated and associated revenues would not come anywhere close to covering property expenses let alone a return on the investment in the property itself.
- Sensitive biological areas exist on the site that must be restored as part of any development, further increasing the cost and decreasing the viability of development. The proposed parking lot development includes restoration of the sensitive biological resources on-site.
- Public parking is not feasible as the layout of the lot requires valet parking or cars and limits the total number of spaces. The small number of spaces and costs of valet attendants would be cost prohibitive for any public lot.

b. In addition, we note that historical use of the site has not been ocean-related or dependent (prior use was by Lash Construction for aggregate/construction material processing and storage).

Conclusion

The proposed parking lot will be a substantial improvement of property that is currently used only for occasional criminal activity, homeless encampments and otherwise vacant. With this project, the property will be cleaned up, drainage habitat area improved, and the hotel project allowed to proceed without delay. In turn, permitting the Hotel Project itself to proceed will result in increased park maintenance payments to the City, the construction and opening of a 100 bed hostel at 12 East Montecito Street, and the orderly completion of the Waterfront Park/Hotel project begun so many years ago. Together with the hotel and hostel, this project will help to complete the City's vision for the waterfront park and hotel that began so many years ago.
If you have any questions or comments, please do not hesitate to contact me.

Thank you.

Very Truly Yours,

Richard E. Fogg

Enclosures

cc:    Paul Casey, Community Development Director
       Steven Wiley, City Attorney
       Jan Hubbell
       Fess Parker
       Allen Moyer
I. PURPOSE OF DISCUSSION ITEM

The purpose of this Substantial Conformance Determination (SCD) discussion item is to advise the Planning Commission of proposed changes to the Waterfront Hotel project located at 433 E. Cabrillo Blvd. and 103 S. Calle Cesar Chavez, and for the Planning Commission to provide comments on the proposed changes to the Community Development Director. The Community Development Director will make the final determination as to whether or not the proposed changes are in substantial conformance with the approved project land use approvals, taking into consideration comments received from the Planning Commission, Land Development Team, Historic Landmarks Commission and the Architectural Board of Review. Therefore, no formal approval action will be taken by the Planning Commission 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 1 through 4) recognize that some changes are minor while other proposed changes may be more significant. The City’s standard of review is to determine whether the project revisions result in a project that is substantially consistent with the earlier project that received land use approvals. Therefore, an SCD does not represent a new land use approval, but is a review of changes to determine if the findings originally made in support of the project can still be made. In this case, those findings relate to the Coastal Development Permit, Development Plan and Conditional Use Permit approved as part of the project.
II. PROJECT DESCRIPTION

A. APPROVED PROJECT

The Approved Project includes development on two parcels: the Hotel Parcel (also known as the South Parcel) located at 433 E. Cabrillo Blvd.; and the Parking Lot Parcel (also known as the North Parcel) located at 103 S. Calle Cesar Chavez, as well as improvements within the Transition Area (see Aerial Photograph on page 4 of the staff report). The discretionary applications approved for the Project include a Development Agreement, a Development Plan, a Parking Modification, a Conditional Use Permit and Coastal Development Permits. Refer to Exhibits J-M for City approval documents.

The Approved Project (select plan sheets are included in Exhibit B) includes construction of a three-story luxury hotel containing 150 rooms and related commercial area totaling approximately 130,235\(^1\) net square feet (MST95-00175) on the South Parcel, and a 111-stall valet parking lot with a 100-square foot kiosk on the North Parcel (MST2007-00791). One hundred parking spaces would be provided across the street at 633 E. Cabrillo Street (currently a Hilton Resort Hotel, formerly the DoubleTree or Red Lion) as valet parking under a shared parking agreement. The hotel would include a pool, ballroom, meeting rooms, spa and restaurant/bar. Restoration of El Estero drainage is part of the North Parcel development, and includes removal of non-native vegetation both in the drainage and within approximately five to twenty feet from the top of bank on the property. Public improvements, including the extension and improvement of Calle Cesar Chavez, were installed as part of the development of Chase Palm Park expansion.

The Approved Project also includes landscaping and maintenance of the “Transition Area,” within Chase Palm Park and adjacent to the hotel development. With construction of the Waterfront Hotel, this area shall be landscaped and maintained by the Hotel such that it is clearly identified as public parkland and not as hotel property.

B. PROPOSED PROJECT REVISIONS

The Proposed Project includes construction of a three story luxury hotel containing 52 to 60 rooms and related commercial area totaling approximately 92,445 net square feet on the South Parcel, and a three-story approximately 10,416 square foot back-of-house\(^2\) building on the North Parcel. Total development would be approximately 102,861 net square feet. A total of 147 parking spaces would be provided, as follows: Employee parking (37 spaces) would be provided on the North Parcel, 10 spaces would be provided on the South Parcel, and 100 spaces would be provided across the street at 633 E. Cabrillo Street as valet parking. The hotel would include a pool, banquet rooms, theater, retail, spa and restaurant/bar. Restoration of El Estero Drain on the North Parcel would include remediation of discovered contaminated soil and recontouring the banks, as well as removal of non-native vegetation and revegetation.

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\(^1\) Note that the total square footage of development ranges from approximately 130,000 to 152,000 square feet, depending on the source. For the purposes of the current analysis, staff is using the square footage numbers provided by the applicant, as they represent a more equivalent analysis compared to the way the Proposed Project square footage is calculated.

\(^2\) Back-of-house refers to support area for the operation of the hotel, which is generally not intended to be seen by guests and includes, but is not limited to, administration, offices, employee areas, housekeeping, laundry, storage, deliveries, trash, etc.
The Proposed Project identifies the number of hotel rooms as ranging from 52 to 60. This is due to the varying needs of individual hotel operators. Because the hotel operator has not yet been chosen for the project, it may result in reconfiguration of internal space and hotel rooms. This range is being proposed to allow the applicant flexibility in moving forward prior to committing to a specific operator. However, the overall massing, footprint and volume of the proposed hotel development would not be greater than what is shown on the project plans (Exhibit B). For staff’s analysis (e.g. parking, traffic, water use, solid waste generation), we have used a maximum-case scenario of 60 rooms.

Proposed changes within the right-of-way include reducing travel lanes from two in each direction to one in each direction on S. Calle Cesar Chavez, adding a crosswalk between the hotel at 433 E. Cabrillo Blvd. and the valet parking lot at 633 E. Cabrillo Blvd., widening the sidewalk on the west side of Calle Cesar Chavez, changes to safety-related features (such as signage, gate arms, etc.) at the UPRR crossing based on proposed changes to the road striping, and relocating the Cabrillo Blvd. bus stop from west of Calle Cesar Chavez to east of Calle Cesar Chavez.

The Proposed Project continues to include landscaping and maintenance of the Transition Area.

Refer to the Applicant’s Letter and Project Plans for more detailed information about the Proposed Project design and operations (Exhibits A and B, respectively).
III. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

<table>
<thead>
<tr>
<th>Applicant:</th>
<th>Suzanne Elledge, Suzanne Elledge Planning &amp; Permitting Services</th>
</tr>
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<tr>
<td>Property Owner:</td>
<td>American Tradition</td>
</tr>
<tr>
<td>Site Information</td>
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<tr>
<td>Parcel Number:</td>
<td>017-680-009</td>
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<tr>
<td>Address:</td>
<td>433 E. Cabrillo Blvd. (South Parcel / Hotel Parcel)</td>
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<td>Lot Area:</td>
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<td>Zoning:</td>
<td>HRC-2/SP-1/S-D-3</td>
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<td>Local Coastal Plan:</td>
<td>Open Space</td>
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<tr>
<td>Existing Use:</td>
<td>vacant</td>
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<tr>
<td>Topography:</td>
<td>Was relatively flat, now has stockpiled soil from initial grading for hotel development</td>
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<tr>
<td>Adjacent Land Uses</td>
<td>North – Commercial/Industrial</td>
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<tr>
<td></td>
<td>South – Chase Palm Park and Cabrillo Blvd.</td>
</tr>
</tbody>
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B. PROJECT STATISTICS

Refer to the Applicant’s Letter and Project Plans (Exhibits A and B, respectively) for additional statistics and breakdown of project floor area.

<table>
<thead>
<tr>
<th></th>
<th>Approved Floor Area</th>
<th>Proposed Floor Area</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>North Parcel</strong></td>
<td>0 sf</td>
<td>10,416 net sf</td>
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<tr>
<td><strong>South Parcel</strong></td>
<td>130,235 net sf</td>
<td>92,445 net sf</td>
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<td><strong>TOTAL</strong></td>
<td>130,235 net sf</td>
<td>102,861 net sf</td>
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<tr>
<td>Hotel Rooms/Floor Area</td>
<td>150 / 73,373 net sf</td>
<td>52-60 / 41,000 net sf</td>
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<tr>
<td>Non-Room Hotel Area</td>
<td>27,937 net sf</td>
<td>31,020 net sf</td>
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<tr>
<td>Public Commercial</td>
<td>10,741 net sf</td>
<td>11,785 net sf</td>
</tr>
<tr>
<td>Back-of-House/Admin.</td>
<td>18,274 net sf</td>
<td>19,056 net sf</td>
</tr>
</tbody>
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IV. BACKGROUND

A. APPROVED PROJECT HISTORY

In 1993, the City approved plans for development of the Waterfront Hotel (Planning Commission Resolution 048-90; Exhibit J). The project included development of the Chase Palm Park Expansion and a youth hostel. The project required an amendment to the Park Plaza Specific Plan (SP-1) to allow the hotel use. This amendment was certified by the Coastal Commission in 1994.

On August 15, 1995, City Council adopted Ordinance 4920 (Exhibit K), which included a Development Agreement and associated conditions of approval for development of the Chase Palm Park expansion, the Waterfront Hotel (433 East Cabrillo Boulevard), and the youth hostel. The Development Agreement allowed the Chase Palm Park expansion project to commence immediately and provided the property owner 12 years to construct the hotel and hostel.

In June 2007, a Substantial Conformance Determination was made to eliminate the hotel’s underground parking and move it to a new surface parking lot located at 103 S. Calle Cesar Chavez.

In August 2007, the Planning Commission approved the parking lot at 103 S. Calle Cesar Chavez to serve the Waterfront Hotel. It should be noted that, during the review of the proposal, the Planning Commission asked if additional development, such as administrative offices or employee related facilities, could be proposed at 103 S. Calle Cesar Chavez to support the hotel.

In 2007-2008, the City issued building permits for both the 150-room Waterfront Hotel and associated parking lot, and the youth hostel. The hostel (12 E. Montecito St.) was completed in 2014; however, the hotel project and associated parking lot were not completed.

In 2016, the City Council approved a new Development Agreement (Exhibit L) to maintain the existing development rights for the approved hotel and establish the potential and associated process for a revised project.
Refer to Exhibit C for a more complete history of the Approved Project.

B. SCD REVIEW PROCESS

1. LAND DEVELOPMENT TEAM REVIEW

On November 16, 2017, the Applicant submitted a formal SCD request to the City. The application was distributed to members of the City’s Land Development Team for review. The City’s response letter was provided to the Applicant on January 4, 2018. On February 28, 2018, an updated SCD request was submitted to the City. The City’s response letter was provided to the Applicant on March 28, 2018. On April 12, 2018, a second updated SCD request was submitted to the City.

With each updated SCD application, the Applicant modified the plans in response to staff’s feedback regarding compliance with current regulations and consistency with the Approved Project.

2. PARKS AND RECREATION COMMISSION

A request to remove 54 various trees from the Calle Cesar Chavez right-of-way and Chase Palm Park Transition Area was submitted to the Street Tree Advisory Committee (STAC) for review. STAC reviewed the proposal and forwarded a recommendation to the Parks and Recreation Commission on April 5, 2018.

The proposed removal of these 54 trees and associated replacement with 59 trees was approved, with conditions, by the Parks and Recreation Commission on April 25, 2018 (Exhibit I). Additionally, 29 trees would be relocated (transplanted) within the Transition Area.

The Parks and Recreation Commission will provide further review of landscape plans for the Transition Area, and provide recommendations to the City Council regarding the new Declaration Agreement that will guide the terms and conditions of construction, maintenance and use of the Transition Area.

Final approval of the improvements within the Transition Area will be required by the Parks and Recreation Commission.

3. DESIGN REVIEW

This project requires review and approval by both the Historic Landmarks Commission and Architectural Board of Review.

a. Historic Landmarks Commission

The South Parcel and Transition Area are located in the Historic Landmarks Commission (HLC) jurisdiction. The revised hotel project has been reviewed by the HLC on seven occasions. Minutes are attached as Exhibit G. Initially the HLC review was focused on general massing and site planning. The most recent hearings have focused on specific architectural elements of the development.

On October 18, 2017, the HLC stated that the revised project is a significant improvement over past iterations and that it is in substantial conformance with prior approvals.
On November 15, 2017, the HLC had very favorable comments about the project design and had positive comments pertaining to the Project Compatibility Criteria; notably, that the size, bulk and scale are appropriate and the design protects mountain views.

The Transition Area will require HLC review and approval, in conjunction with Parks and Recreation Commission review.

b. Architectural Board of Review

The North Parcel is located in the Architectural Board of Review (ABR) jurisdiction. The portion of the revised project for the back-of-house building, parking lot and restoration on the North Parcel has been reviewed by the ABR on ten occasions (MST2016-00295). Minutes are attached as Exhibit H.

At the most recent hearing on October 23, 2017, the ABR had positive comments about the project relative to the Project Compatibility Criteria.

If the Proposed Project is determined to be in substantial conformance with the Approved Project, then Project Design and Final Approval will be required by the ABR and HLC, as applicable.

V. ANALYSIS

A. ZONING ORDINANCE CONSISTENCY

The South Parcel (433 E. Cabrillo Blvd.) is zoned HRC-2/SP-1/S-D-3. The North Parcel (103 S. Calle Cesar Chavez) is zoned OM-1/S-D-3. The following table identifies zoning requirements and project components for building setbacks and heights, parking, and lot coverage.

<table>
<thead>
<tr>
<th>Standard</th>
<th>Requirement/ Allowance</th>
<th>Approved</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Building Setbacks – South Parcel</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-Front (Cabrillo)</td>
<td>75 feet from curb</td>
<td>83 feet from curb</td>
<td>75 feet from curb</td>
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<tr>
<td>-Front (Cesar Chavez)</td>
<td>33.5 feet from curb</td>
<td>33.5 feet from curb</td>
<td>33.5 feet from curb</td>
</tr>
<tr>
<td>-Interior</td>
<td>0</td>
<td>0 feet</td>
<td>12 feet</td>
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<tr>
<td><strong>Building Setbacks – North Parcel</strong></td>
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<tr>
<td>-Front (Cesar Chavez)</td>
<td>0</td>
<td>17 feet to parking lot</td>
<td>4.5 feet to bldg.</td>
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<tr>
<td>-Interior</td>
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<td>6 feet to parking lot</td>
<td>6 feet to bldg.</td>
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<tr>
<td><strong>Building Height – South Parcel</strong></td>
<td>3 stories/45 feet</td>
<td>3 stories/45 feet</td>
<td>3 stories/45 feet</td>
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<tr>
<td><strong>Building Height – North Parcel</strong></td>
<td>4 stories/45 feet</td>
<td>1 story/10 feet</td>
<td>3 stories/45 feet</td>
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</tbody>
</table>
Vehicle Parking
- Approved Project 519 (150 for hotel, 369 for all other uses)* 211*
- Proposed Project 159 (60 for hotel, 99 for all other uses) 147*

Bicycle Parking
21 (1 per 7 parking spaces) 14 covered spaces 22 spaces
(16 covered, 6 uncovered)

Lot Coverage
- Building N/A 53,622 sf 23% 40,237 sf 17%
- Paving/Driveway N/A 76,258 sf 32% 65,113 sf 28%
- Landscaping N/A 106,215 sf 45% 130,745 sf 55%

* A Parking Modification was approved by the Planning Commission in 1993 to reduce the project parking from 519 spaces to 345 spaces.

As identified in the Table above, the Proposed Project complies with Zoning requirements for each of the respective parcels.

1. **Specific Plan I (SP-1) – Park Plaza Specific Plan (South/Hotel Parcel)**

   The Proposed Project complies with all Zoning requirements, as identified in the Table above. Allowed uses for the property located at 433 E. Cabrillo Blvd. (Parcel B in the Specific Plan (SP-1)) include visitor-serving uses in accordance with the HRC II designation. Therefore, use as a hotel is appropriate. The current proposal has been reviewed against the Development Regulations identified in SP-1, including for satisfying parking demand, providing alternative transportation incentives through a Transportation Demand Management Program, and compliance with requirements for setbacks, landscaping, height, view corridors, and water use.

   a. **Height and View Corridors**

      In order to exceed a height of 30 feet, a height-setback relation study is required for the purpose of maximizing view protection/enhancement. However, in no case shall the height exceed 3 stories and 45 feet. The determination to allow a height increase based on a height-setback relation study is determined by the Planning Commission. A view corridor study is also required by the Specific Plan to assess views from Cabrillo Blvd. toward the foothills and mountains.

      The Approved Project was 3 stories and 45 feet. The Proposed Project is 3 stories and 45 feet. A View Corridors, Line of Sight and Height-Setback Relation Study was prepared (MAC Design Associates, 2017) to analyze the Proposed Project compared to the Approved Project (included in Exhibit B). The Study shows that views of the mountains are generally improved with the Proposed Project, particularly at the western half of the site, as viewed from the south side of Cabrillo Blvd.
Additionally, View Simulations/Massing Studies were prepared, which identify key viewpoints and compare the Proposed Project massing to the Approved Project massing (included in Exhibit B).

b. Parking

When the project was approved in 1993 (as carried forward into the 1995 Development Agreement (Ordinance No. 4920)), a Parking Modification was approved to reduce the hotel project’s parking from 519 to 345 (245 spaces provided on site and 100 spaces provided off site). The project was revised over the years through substantial conformance determinations. The project approved by building permit BLD2007-01318, issued in 2007, required approximately 251 parking spaces and provided 211 parking spaces. The Proposed Project requires 159 parking spaces and provides 147 parking spaces, which represents a deficit of 12 spaces, significantly less than the deficit originally approved with the Parking Modification. Therefore, while still applicable, the scale of the Parking Modification has been substantially reduced with the Proposed Project. It should also be noted that an additional 50 overflow parking spaces are also available if needed to serve the development. As discussed below, the Proposed Project’s parking demand would be met by the 147 parking spaces proposed.

The Specific Plan requires that the development satisfy not only the zoning requirement, but also the peak parking needs. A Parking Demand Study was prepared by Associated Transportation Engineers (Exhibit N), which concludes that a project with 60 hotel rooms and the retail/restaurant uses proposed, would have a peak parking demand in the evening of 143 spaces, which is less than the 147 spaces to be provided. Therefore, the project would be consistent with this requirement. If the project was modified such that fewer hotel rooms were provided, the peak parking demand and parking requirement could be reduced.

2. OM-1 Zone Uses (NorthParcel)

The Proposed Project complies with all Zoning requirements, as identified in the Table above. The North Parcel is zoned OM-1/SD-3. The OM-1, Ocean-Oriented Light Manufacturing, zone focuses on uses that support ocean-dependent uses, including marine storage, boat sales and repair, sail manufacturing and repair, seafood processing and similar uses, as well as El Estero Wastewater Treatment Plant. However, in establishing the OM-1 zone, it was also recognized that there might be limited demand for these uses or that land values might preclude these uses. Thus, a provision was included that allowed property owners to consider other uses allowed in the M-1 (Light Manufacturing) Zone, subject to the issuance of a Conditional Use Permit (CUP). In addition to the usual CUP findings required to approve the use, it would also be necessary to make additional findings, as follows:

a. The use is compatible with ocean-dependent or ocean-related uses; and

b. The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses. This finding shall be substantiated by competent
evidence determined by the Planning Commission to be objective which includes no present or future demand for ocean-dependent or ocean-related uses.

As part of the approval of the CUP for the parking lot on the North Parcel, the Planning Commission found that the use as a parking lot was compatible with ocean-related and dependent uses, and that the site constraints, including the shape of the parcel, creek setback, and the costs of soil remediation and wetland restoration, left the site with no feasible economic value if property use was limited to ocean-dependent or -related uses.

The parking lot on the North Parcel was related to and in support of the hotel development on the South Parcel. The current proposal for back-of-house uses and employee parking on the North Parcel would result in development related to and in support of the hotel development on the South Parcel. These findings do not need to be made again if the Proposed Project is found to be in substantial conformance with the Approved Project.

B. DEVELOPMENT AGREEMENT CONSISTENCY

The Development Agreement approved by the City Council in 2016 (Ordinance 5751) identified the Applicant’s vested right to develop the hotel on the South Parcel and the associated improvements on the North Parcel in accordance with prior City approvals, as depicted in the plans approved by building permits BLD2007-01318 and BLD2007-02954. The Development Agreement also stipulated that any request for a Substantial Conformance Determination (SCD) would be treated as a Level 4 SCD, requiring a hearing at the Planning Commission. Further discussion of the criteria for reviewing the SCD is outlined in Section VI below.

The Development Agreement specified that any proposal for an SCD, or a revised project, would be required to comply with all aspects of the City’s Storm Water Management Plan (SWMP) Ordinance. As such, the current proposal complies with Tier 3 SWMP requirements.

The Development Agreement also requires that the Applicant submit for building permits by June 23, 2020, and obtain said permits by June 23, 2021.

C. LOCAL COASTAL PLAN CONSISTENCY

The project site is within Local Coastal Plan (LCP) Component 5 (Santa Barbara Street to Punta Gorda). The land use designation for the North Parcel (parking lot/back-of-house building) is Ocean Oriented Industrial, and the designation for the South Parcel (hotel) is Open Space. The General Plan and LCP describe this area as a mix of industrial, hotel-motel, residential and public facility uses.

On the North Parcel, the Implementation Plan approved as part of the Local Coastal Program allows for uses other than Ocean Oriented Industrial subject to approval of a Conditional Use Permit, which was previously approved for the project, as described in Section V.A.2 above. On the South Parcel, the Implementation Plan approved as part of the Local Coastal Program includes SP-1, which requires the majority of Parcel B of SP-1 to be developed as a public park (which occurred with development of Chase Palm Park), but allows for a small portion (3 acres) to be developed with a hotel.
The proposed revisions to the approved development of a luxury hotel and associated retail, restaurant and back-of-house areas would continue to be consistent with the Local Coastal Program through the adopted Implementation Plan. In considering whether the Proposed Project is in substantial conformance with the Approved Project, staff reviewed the original Coastal Development Permit findings in Ordinance 4920 (p. 9-12) and Resolution 032-07 to confirm that the rationale for approval still applied.

The original project approval included findings of consistency with the policies of the LCP, and the EIR included an extensive policy analysis. As it relates to the hotel portion of the project, LCP Policies 4.1 (visitor-serving land uses), 4.2 (visitor-serving development review), and 4.4 (hotel and restaurant development, range of rooms / prices) were specifically cited. The parking lot project approval did not specifically reference any LCP policies. A compilation of applicable policies is attached for review (Exhibit D).

D. CONDITIONS OF APPROVAL

The project is governed by conditions of approval contained within Ordinance 4920 (433 E. Cabrillo Blvd.), Planning Commission Resolution 032-07 (103 S. Calle Cesar Chavez), and the Development Agreement dated June 23, 2016 (as adopted by City Council Ordinance 5751).

1. SOLAR / PHOTO-VOLTAICS

Resolution 032-07 for the development at the North Parcel includes two conditions of approval (II.B.8 and 9) related to installation of solar photovoltaic (PV) panels (refer to Exhibit M). The conditions require that PV be installed on the roof of the parking kiosk to provide energy for the parking lot. Condition II.B.9 addresses the situation where an SCD is requested and requires the applicant to provide information on the feasibility of PV on the parking lot parcel to generate energy for the entire project.

The applicant studied the possibility of covering all available area on the North Parcel with PV, and determined that it could offset 97% of the North Parcel’s energy load. However, the applicant has concluded that covering the entire site with PV is not feasible due to the weight of the panels and required support structure, and resultant conflicts with the configuration of the parking lot. They are proposing to install PV on the roof of the proposed building on the North Parcel, which would offset 10% of the North Parcel’s energy load. Because the proposed building on the North Parcel is replacing uses/floor area that were previously on the South Parcel, the proposed PV should be viewed as offsetting a portion of the Approved Project’s energy needs.

Additionally, in order to satisfy City sustainability goals, the hotel building identifies roof areas where future installation of PV panels could be accommodated, includes a green roof area, and a total of 7 of the project’s 147 parking spaces would include electric vehicle charging stations.

Based on review of the Planning Commission Minutes and video recordings of the meetings (July 19, 2007 and August 30, 2007), staff believes that the current proposal is generally meeting the intent of the condition. The specific condition language was drafted at the hearing without technical information regarding feasibility. The applicant has now provided that information; however, they are not proposing to cover the parking lot with
PV, which is possible, although may not be aesthetically acceptable. Additional feedback from the Planning Commission is requested.

2. Development in Restoration Area

Resolution 032-07 for the development at the North Parcel includes a condition of approval (II.A.5) restricting development within the restoration area. The Proposed Project includes a five-foot wide unpaved maintenance path and a new six-inch PVC sewer line beneath this path. While these improvements are technically considered development per the Coastal Act, they could be found to be in substantial conformance with the condition. The path is minimally developed (mulch), is required to maintain the restoration area, and is located as far from the drainage channel as possible while still remaining on the subject property. The proposed sewer line is similarly located as far from the drainage channel as possible, while still remaining on the subject property. Taking the sewer line to Calle Cesar Chavez would require a significant sewer main extension and there are complications due to the railroad and flow (topography).

E. Miscellaneous

Staff has identified other aspects of the project that warrant Planning Commission consideration. These are not necessarily issues of staff concern, but represent some of the aspects of the project that staff has been reviewing, and which affect the overall design and layout of the proposal.

1. Boutique Hotel Concept. This is the cornerstone of the proposed revisions to the Approved Project. This concept results in fewer, larger hotel rooms with higher room rates, and less banquet area. The average room size for the Proposed Project is 683-788 square feet compared to 489 square feet for the Approved Project. For the Proposed Project, room sizes range from 591 square feet for a typical room to 1,732 square feet for the suite. Is this consistent with the intent to provide a luxury hotel as envisioned with the Approved Project? The hostel (which was increased from 75 beds to 100 beds when the 150-room hotel project was approved) required to offset any potential impact to lower-cost accommodations resulting from the provision of a high-end hotel has already been constructed and has been operational for several years.

2. Valet Operations. The valet operation was originally approved to use the North Parcel as the vehicle parking area. This required valet drivers to make a left turn onto Calle Cesar Chavez and then a left turn into the North Parcel driveway in order to park guests’ cars. Valet personnel would then walk back to the South Parcel using the sidewalk. While additional valet parking area was provided across the street at 633 E. Cabrillo Blvd., that was not the primary parking location.

The Proposed Project would provide that valet operators drive across Calle Cesar Chavez to the parking lot at 633 E. Cabrillo Blvd. and then walk back to the South Parcel across Calle Cesar Chavez using a new non-signalized crosswalk. A circulation analysis is provided in the Revised Parking and Circulation Study (Exhibit N), and Transportation Engineering staff has reviewed the proposal to ensure visibility of pedestrian travel in this location.
3. **Connection to Public Areas.** The project does not propose any direct pedestrian connection to Chase Palm Park or Cabrillo Blvd. While there are some emergency egress gates provided, they are not intended for regular use by guests in order to gain access to the Transition Area or Cabrillo Blvd. Similarly, there is no way for guests or other visitors to the hotel or restaurant to gain direct access to the hotel from these areas. All access would be from Calle Cesar Chavez.

The Applicant has indicated that the proposed design is for security reasons. The Parks and Recreation Department does not generally allow direct access from private development to public parkland due to maintenance, safety and management considerations.

This lack of direct access is similar to the Approved Project design. The difference is that that proposal had a site layout with a closed perimeter, while the Proposed Project visually opens up the center of the development to Cabrillo Blvd. and locates the restaurant adjacent to the Transition Area.

The Urban Design Guidelines and Circulation Element encourage pedestrian activity and interaction with the street through building design and orientation, while also considering security, and internal organization of building activities. Transportation Planning and Planning Division staff encouraged a strong pedestrian connection to the corner of Cabrillo Blvd. and Calle Cesar Chavez because we expect many hotel guests will want to walk to that intersection. We also encouraged a pedestrian connection from the sidewalk on Cabrillo Boulevard to the proposed restaurant to facilitate alternative transportation modes for the public.

4. **Pool / Bar on Roof Deck.** There is a pool and bar proposed on the roof deck, which would only be open to hotel guests. The Approved Hotel included a pool at the ground floor, located near the corner of E. Cabrillo Blvd. and Calle Cesar Chavez. The bar would not involve any permanent structures on the roof, as a maximum of three stories are permitted in this zone.

5. **Restoration Plan.** The Approved Project included a detention basin north of El Estero drainage (within the 25-foot setback) to capture and treat runoff from the parking lot, and also included a vegetated swale connecting the concrete swale along the northern property boundary to the detention basin. The Proposed Project revises the detention basin to run horizontally along the northern side of the drainage (within the 25-foot setback) but replaces the vegetated swale with a concrete swale. The concrete swale is proposed to convey offsite runoff in a controlled manner and protect the foundations of adjacent buildings. The North Parcel contains approximately 0.66-acres of environmentally sensitive habitat area. Approximately 0.45-acres is classified as coastal wetlands. Proposed development would permanently impact 0.08-acres of this wetland habitat. The proposed restoration plan would create 0.08-acres of wetland habitat. The project would also result in temporary impacts to approximately 0.119-acres of wetland habitat, which would be restored with native vegetation. Overall, the proposed restoration would result in a significant increase in the quality of the habitat on the North Parcel.

The City typically requires a higher replacement ratio than 1:1 (often 3:1 or 4:1) to mitigate the permanent loss of wetland habitat. In this case, much of the existing wetland
habitat is area that was created following site remediation in 2007. Nevertheless, it is considered wetland habitat. Resource agency (i.e. California Department of Fish and Wildlife, Army Corp. of Engineers and Regional Water Quality Control Board) review of the project is still ongoing. Issuance of applicable permits by those regulatory agencies would ensure that the proposed restoration and replacement ratio is acceptable and fully offsets the project effect.

VI. **SUBSTANTIAL CONFORMANCE DETERMINATION CONSIDERATIONS**

In accordance with Section 10.1 of the Development Agreement dated June 23, 2016, any determination of substantial conformance made by the Community Development Director shall be made in consideration of the following specific factors (information on each item is provided in italics):

A. Whether the proposed revision results in a cumulative or overall increase to any of the following:

   (i) The total number of guest rooms on the Hotel Parcel.

   Reduced from 150 to 52-60.

   (ii) The total square footage of guest rooms on the Hotel Parcel.

   Reduced from 73,373 square feet to approximately 41,000 square feet.

   (iii) The square footage of total development on the Hotel Parcel and Parking Lot Parcel.

   Reduced from 130,235 square feet to 102,861 square feet.

   (iv) The overall height of the Hotel and related improvements on the Hotel Parcel and the Parking Lot Parcel.

   The maximum height of development on the two parcels was/is 45 feet. The approved development had 35,356 net square feet of building area at the third floor level, all of which was on the South Parcel. The Proposed Project would have 23,647 net square feet of building area at the third floor level, of which 22,170 net square feet (93.7%) would be on the South/Hotel Parcel, and about 1,477 net square feet (6.3%) would be on the North/Parking Lot Parcel.

   View simulations with project comparisons are also provided in the project plans (Exhibit B).

   Staff finds that the proposed revision does not result in a cumulative or overall increase to the project in the areas identified.

B. Whether the proposed revisions conform with the Amended Specific Plan and do not require new or additional environmental review under the California Environmental Quality Act, other than an Addendum to the FEIR.

   Refer to Section V.A.1 above for analysis of the project in relation to the (Amended) Specific Plan. Staff finds that the proposed revisions conform to the Specific Plan.

   Refer to Section VII below for information on environmental review. The Proposed Project is within the scope of analysis of the certified FEIR for the Specific Plan. Staff has prepared
an Addendum to the FEIR to document minor changes associated with the Proposed Project (Exhibit P). No new or additional EIR is required.

Additional analysis is provided in the Applicant Letter (Exhibit A).

VII. ENVIRONMENTAL REVIEW

The City Environmental Review Committee certified a Final Environmental Impact Report (FEIR) for the Waterfront Park, Hotel, and Youth Hostel project in 1993. The FEIR identified significant, unavoidable impacts (Class 1) associated with:

- Traffic and circulation (short-term related to Chase Palm Park parking on weekends and for special events and cumulative),
- Air quality (long-term due to traffic and short-term due to construction),
- Noise/vibration (long-term related to the park and short-term related to hotel construction), and
- Visual resources (short-term due to loss of mature vegetation).

By its very nature, in order for a determination of substantial conformance 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 Project. The Proposed Project changes would affect project impacts associated with traffic, views, and biological resources.

As discussed in Section V above, the proposed changes reduce the already less than significant view impacts associated with the Approved Project.

Anticipated traffic would be reduced as a result of the proposed changes due to the reduction in the number of hotel rooms and the reduction in hotel-related square footage.

With regard to biological resources, the Proposed Project includes a revised Habitat Restoration Plan, which addresses the need for soil remediation within the channel due to the discovery of contaminated soil within El Estero drainage channel. In addition to this remediation, the Applicant is now proposing to remove concrete, debris and non-native vegetation; and recount the banks as necessary following said remediation and removal.

The Proposed Project would also have similar, or reduced, impacts related to all other issue areas, including reduced impacts associated with water use, water quality and hydrology, solid waste generation and air quality.

The FEIR did not analyze impacts associated with climate change, specifically greenhouse gas emissions and sea level rise. Staff had previously analyzed these topics in the Addendum prepared for the Development Agreement. Additional analysis was done for the Proposed Project and concluded that the Proposed Project would not result in new or increased impacts related to these issue areas.

An Addendum to the certified Waterfront Park and Hotel and Youth Hostel Project EIR documents changes to the project and associated minor changes to project environmental effects (Exhibit P).
VIII. CONCLUSION

As indicated in this staff report, while the SCD Request includes several changes to the Approved Project, staff believes that the proposed changes can be found to be in substantial conformance with the Approved Project.

Some aspects of the Proposed Project that staff believes are an improvement to the Approved Project are the following: 1. reduced massing of the development on the South Parcel resulting in improved mountain views and more openness as viewed from Cabrillo Blvd., 2. compliance with current storm water management plan requirements, and 3. improved Habitat Restoration Plan, which has been reviewed by the Creeks Division.

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

- Street dedication and improvement (already completed);
- New public park (already completed);
- Hostel (100-bed hostel already completed, based on construction of a 150-room hotel); and
- Installation and maintenance of landscape improvements in the Transition Area.

Feedback from the Planning Commission is requested regarding whether the Proposed Project is in substantial conformance with the Approved Project.

Following Planning Commission review and comments, the Community Development Director will make a final determination as to whether the Proposed Project is in substantial conformance with the Approved Project.

If that determination is ultimately made, there are still technical and engineering details that would need to be resolved in order to ensure compliance with current construction standards and regulations and project conditions of approval, and the Applicant would need to obtain Project Design and Final Approvals from the HLC and ABR for the Proposed Project.

Exhibits:

A. Applicant's letter, dated May 31, 2018
B. Project Plans (provided under separate cover)
C. Approved Project History
D. Applicable LCP and Coastal Act Policies
E. Planning Commission Minutes, July 19, 2017
F. Planning Commission Minutes, August 30, 2007
G. HLC Minutes
H. ABR Minutes
I. Parks and Recreation Commission Minutes, April 25, 2018

The following Exhibits are available electronically:

J. Planning Commission Resolution 048-93 (Waterfront Park/Hotel)
K. Ordinance 4920
The following documents were used in staff's review and analysis of the project and are available electronically upon request:

1. Final EIR dated June 8, 1993
3. Initial Study dated December 14, 2015
4. Tier 3 Storm Water BMP Report for North Parcel by MAC Design Associates dated February 27, 2018
5. Tier 3 Storm Water BMP Report for South Parcel by MAC Design Associates, dated February 27, 2018
6. Transportation Management Plan by ATE dated December 5, 2017
7. Biological Resources Assessment (North Parcel) by Storrer Environmental Services, dated February 2018
8. Wetland Delineation & Jurisdictional Determination Report (North Parcel) by Storrer Environmental Services, dated February 2018
13. City of Santa Barbara Waste Generation Calculator for project
14. Potable Water Use Analysis, Parker Waterfront Hotel, by MAC Design Associates, dated February 27, 2018
15. View Corridor, Massing & Overall Height Comparison Study by Glazier Le dated November 15, 2017
16. Height Setback Relation Study Revised by MAC Design Associates dated November 15, 2017
17. Revised Corrective Action Plan (North Parcel) prepared by Campbell Geo, Inc and dated January 10, 2018
18. Addendum to Revised Corrective Action Plan (North Parcel) prepared by Campbell Geo, Inc and dated March 14, 2018
19. Certification of "No Rise" Determination in El Estero Channel (North Parcel) by MAC Design Associates, dated April 7, 2017
EXHIBIT D
Fire Training Facility
Staff Report
PLANNING COMMISSION
STAFF REPORT

REPORT DATE: June 4, 2015
AGENDA DATE: June 11, 2015
PROJECT ADDRESS: 4 S. Calle Cesar Chavez Street (MST2014-00554)
Fire Training Facility
TO: Planning Commission
FROM: Planning Division, (805) 564-5470, extension 4558
Beatriz Gularte, Senior Planner
Steve Greer, Project Planner/Environmental Analyst

I. PROJECT DESCRIPTION
The project consists of the installation of two pre-fabricated steel structures totaling 1,170 square feet at the existing City Fire Training Facility, located on a two-acre parcel within the City’s El Estero Wastewater Treatment Facility property. One structure would be a one-story, 240 square-foot structure with a maximum height of 8½ feet, and the second structure would be a two-story, 930 square-foot structure with a maximum height of 17 feet. The structures would be utilized for fire observation and fire training purposes, and would replace use of the existing four-story concrete tower that can no longer be utilized for “hot” fire training due to structural integrity concerns. The existing four-story training tower would remain and would function for other training uses such as ladder drills. The project also includes the legalization of several “as-built” structures that were previously developed on site and total approximately 3,476 square feet. These as-built structures are shown on the project plans and a complete description, including use, size and year installed, is provided in the Applicant’s Letter (Exhibit C). The project includes on-site drainage improvements, consistent with the City’s Tier 3 Storm Water Management Plan requirements.

II. REQUIRED APPLICATIONS
The discretionary applications required for this project are:

A. A Development Plan to allow the construction of 4,646 square feet of nonresidential development (SBMC Chapter 28.85);

B. A Conditional Use Permit to allow the construction of 4,646 square feet of nonresidential development for use as a Fire Training Facility in the OM-1/SD-3 zone (SBMC §28.94.030(x)); and

C. A Coastal Development Permit (CDP2015-00006) to allow the proposed development in the Appealable Jurisdiction of the City’s Coastal Zone (SBMC §28.44.060).

APPLICATION DEEMED COMPLETE: March 26, 2015
DATE ACTION REQUIRED: June 24, 2015
III. RECOMMENDATION

If approved, the project would conform to the City’s Zoning and Building Ordinances and policies of the General Plan and Local Coastal Plan. The project would be a benefit to both fire service personnel and the community by facilitating a more efficient and safe fire training operation. In addition, the size and massing of the project are consistent with the surrounding neighborhood. Therefore, Staff recommends that the Planning Commission approve the project, making the findings outlined in Section IX of this report, subject to the conditions of approval in Exhibit A.

IV. BACKGROUND

The project site at 4 S. Calle Cesar Chavez Street (also known, unofficially, as 30 S. Olive Street) has been used as a Fire Training Facility since 1979. The subject parcel is just over two acres; however, the area used for the Fire Training Facility is approximately one acre. The remainder of the site is part of El Estero Wastewater Treatment Facility and the Charles Meyer Desalination Plant. The site is accessed by an easement from Calle Cesar Chavez.
V. SITE INFORMATION AND PROJECT STATISTICS
   A. SITE INFORMATION

   | Applicant:          | Brad Klinzing, Public Works Department |
   | Property Owner:     | City of Santa Barbara                 |

   | Site Information   |
   | Parcel Number:     | 017-113-023                          |
   | Lot Area:          | 2.06 acres                           |
   |                    | (1 acre devoted to Fire Training Facility) |
   | General Plan:      | Institutional                        |
   | Zoning:            | OM-1/SD-3                            |
   | Local Coastal Plan:| Major Public and Institutional       |
   | Existing Use:      | Fire Training Facility               |
   | Topography:        | relatively flat (1-5%)                |

   Adjacent Land Uses
   - North – commercial/industrial uses
   - East – commercial/industrial uses
   - South – drainage and UPRR
   - West – El Estero Wastewater Treatment Facility
VI. POLICY AND ZONING CONSISTENCY ANALYSIS

A. ZONING ORDINANCE CONSISTENCY

With the approval of the Conditional Use Permit (CUP) described below, the project would comply with the requirements of the Zoning Ordinance. The project complies with all height and setback requirements, as identified below.

<table>
<thead>
<tr>
<th>Standard</th>
<th>Requirement/Allowance</th>
<th>Existing</th>
<th>Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Setbacks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Front</td>
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<td>N/A</td>
<td>N/A</td>
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<tr>
<td>- Interior</td>
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<td>5'-6&quot; minimum</td>
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<td>Building Height</td>
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<tr>
<td>Parking</td>
<td>13 spaces</td>
<td>0</td>
<td>1 space (see discussion below)</td>
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<tr>
<td>Lot Coverage</td>
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<td></td>
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<tr>
<td>- Building</td>
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<td>6,794 sf 15.5%</td>
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<tr>
<td>- Paving/Driveway</td>
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<tr>
<td>- Landscape/Open</td>
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<td>16,661 sf 38%</td>
<td>15,491 sf 35.5%</td>
</tr>
</tbody>
</table>

Parking

The use of the site is not a typical manufacturing or industrial-type use. The majority of the structures on site are not intended to be occupied. Nevertheless, parking requirements were calculated based on the overall square footage of all structures on site, excluding Structure J, which is not counted as floor area. The site contains 6,304 square feet of floor area. The parking requirement was based on the general industrial parking rate of one space per 500 square feet (SBMC §28.90.100.1), resulting in a requirement for 13 parking spaces. There is adequate paved area on-site to accommodate this parking; however, the project plans only identify one van accessible parking stall, as required by the Building & Safety Division. Staff recommends, as a condition of approval, that the applicant provide striping for an additional twelve vehicles in the paved area west of the van accessible stall to formalize the parking on-site.

1. OM-1 OCEAN-ORIENTED LIGHT MANUFACTURING ZONE

Pursuant to SBMC §28.73.030.B, uses that are allowed in the M-1 Zone can be permitted in the OM-1 Zone subject to the issuance of a CUP. The use as a Fire Training Facility has been deemed an allowed use in the M-1 Zone pursuant to SBMC §28.72.030.B.88 because it is substantially similar to the permitted uses identified in the M-1 Zone.

2. CONDITIONAL USE PERMIT

As noted above, the project requires a CUP in the OM-1 Zone. As outlined in the Findings Section below, the use as a fire training facility is appropriate for the site and would not adversely affect the neighborhood or surrounding development. Conditions of approval are proposed to ensure consistency with the General Plan and Local Coastal Plan (refer to Exhibit A).
3. DEVELOPMENT PLAN

The project involves the addition of 4,646 square feet of new nonresidential floor area, comprised of new and as-built structures. The structures qualify as government buildings, as that term is defined in SBMC §28.85.020, because they would be owned by the City of Santa Barbara and would be used for governmental activities. Therefore, the proposed square footage does not require an allocation of floor area from any of the development categories outlined in Chapter 28.85 (Nonresidential Growth Management Program).

B. GENERAL PLAN CONSISTENCY

In order to approve the Conditional Use Permit, the Planning Commission must find that the project is harmonious with the City’s General Plan. A list of applicable City General Plan Goals, Policies is attached as Exhibit E.

The project site is located in the East Beach neighborhood, as defined in the General Plan. The General Plan describes the East Beach Neighborhood as “one of the more diverse neighborhoods in the City from a land use perspective. The East Beach neighborhood between Santa Barbara Street and Milpas Street is currently developed with a diverse mix of industrial, manufacturing, hotel-motel, residential and public facility uses. The General Plan densities for the commercial, ocean related and residential areas are Medium High Density that allows a range of between 12-27 du/acre. The entire neighborhood is in the City’s coastal zone.”

The existing and proposed use as a fire training facility would be consistent with the site's Institutional land use designation. The most applicable General Plan policies relate to visual and biological resources, as well as drainage and flooding. These issues are discussed in more detail in the Local Coastal Plan Consistency and Environmental Review sections below.

C. LOCAL COASTAL PLAN CONSISTENCY

The Local Coastal Plan Land Use Designation for this parcel is Major Public and Institutional. A Coastal Development Permit is required for the project, which must be found consistent with both the City’s Local Coastal Plan and the California Coastal Act. The project is located in Component 5 of the Local Coastal Plan (LCP), which is located between Santa Barbara Street and Punta Gorda Street. The LCP states that the primary land use of this area is light industrial and limited commercial, as well as the City’s Wastewater Treatment Plant.

The major coastal issues identified for Component 5 include potential seismic hazards related to liquefaction; recreational opportunities in the waterfront; visitor-serving commercial possibilities; ocean-oriented industry related to the harbor area; and adequate public services related to circulation, transit, and parking facilities. The project would not reduce convenience of access to or along the coast during or after construction because the site does not currently provide any public access. Similarly, the availability of recreational or visitor-serving uses would not be affected by the project. LCP policies most applicable to this project are discussed below and attached as Exhibit F.

1. BIOLOGICAL RESOURCES

LCP Policies 6.8, 6.9 and 6.10 serve to protect biological productivity and water quality of the City’s riparian resources. The biological resource adjacent to the project site (El Estero Drainage Ditch) would not be impacted, with the implementation of standard
BMPs and minimization measures included in the project description. Redesign of the plant’s on-site storm water drainage system, as described in Section VIII - Environmental Review, will further reduce potential impacts to this resource, consistent with policies of the LCP.)

2. VISUAL RESOURCES

LCP Policy 9.1 protects views to, from, and along the ocean and scenic coastal areas. The project would not alter any views available from public viewpoints because the structures would not be visible from a public viewpoint. Proposed improvements would be within the existing fire training complex and shielded from public views by the existing facilities.

3. PARKING

LCP Policy 11.5 states that new development shall provide adequate parking to meet its needs. As discussed above, the project provides a paved area that meets the unique parking needs of the use. However, in order to be more compliant with this policy and Zoning Ordinance requirements, staff is recommending that the project formally stripe 13 parking spaces within the paved area, and this is included in the conditions of approval.

D. CALIFORNIA COASTAL ACT

The Coastal Act defines land within the Coastal Zone as part of a valuable natural resource of vital and enduring interest to all the people. The Coastal Act prescribes policies for protecting the Coast through environmental protection and land-use restrictions. The project as described would be consistent with the applicable policies of the California Coastal Act.

1. ENVIRONMENTALLY SENSITIVE HABITAT AREAS

The California Coastal Act requires that environmentally sensitive habitat areas (ESHA) be protected (Public Resources Code [PRC] §30240). The project site is adjacent to the El Estero Drainage Ditch, which has previously been identified as ESHA. No significant development is proposed within the identified ESHA, or within 50 feet of the identified ESHA. Implementation of standard BMPs and minimization measures included as part of the project description would further assure that the project would have no direct or indirect impacts to the adjacent resource. Therefore, the proposed project would be consistent with this policy.

2. FLOODING

California Coastal Act (PRC §30236) states that substantial alterations to rivers or streams are only allowed for flood control or water supply projects necessary to protect public safety and existing development. It further states that alterations must incorporate the best mitigation measures feasible. The proposed project would not alter the El Estero Drainage Ditch. Therefore, the project would be consistent with this policy.
3. **COASTAL VISUAL RESOURCES**

California Coastal Act states that coastal scenic visual resources shall be protected (PRC §30251). The proposed project would not obstruct scenic views afforded to the waterfront or surrounding area. Therefore, the project would be consistent with this policy.

VII. **ENVIRONMENTAL REVIEW**

The proposed project is subject to California Environmental Quality Act (CEQA) review. Based on City staff analysis, no further environmental document is required for this project pursuant to the California Environmental Quality Act (Public Resources Code §21083.3 and Code of Regulations §15183- Projects Consistent with the General Plan) and the CEQA Certificate of Determination (Exhibit G). The City Council environmental findings adopted for the 2011 General Plan apply to this project. A Planning Commission finding that the project qualifies for the §15183 CEQA determination is required.

Review of the Santa Barbara Master Environmental Assessment (MEA) identified the following categories for specific evaluation.

1. **CULTURAL RESOURCES**

   The project site is within the boundaries of the American Period and the Early 20th Century Period. An archaeological survey report (ASR) was recently completed for the Charles Meyer Desalination Plant Reactivation project. The project area evaluated included the parcel on which the Fire Training facility is located. The survey concluded that due to the extensive ground disturbance that has previously occurred on the site (i.e., grading, excavation, construction, underground piping and imported fill) there was very low potential to impact cultural resources (Dudek, December 2014).

2. **BIOLOGICAL RESOURCES**

   The project footprint is not in a sensitive resource area. The project is located adjacent to El Estero Drainage Ditch. A reconnaissance level site survey was conducted by Ted Mullens, biologist for MRS environmental services, on July 30, 2014. The survey stated that the habitat in this area is characterized by weedy perennials that are typical of disturbed areas, are commonly found along roadsides and dry fields, and are often associated with areas that are repeatedly disturbed. In general, this area showed evidence of repeated disturbance which includes homeless activities, including possible camping sites and worn trails along the edge of the drainage channel. Vegetation between the channel’s relatively well-defined Top of Bank (TOB) and the Training Center’s fence-line was dominated by non-native acacia (Acacia sp.) shrubs and trees, castor bean (Ricinus communis), ragweed (Ambrosia sp.), and kikuyu grass (Pennisetum clandestine). The TOB was estimated to be between approximately 15 to 25 feet to the south of the Training Center’s fence-line. The drainage below the TOB contained both native and non-native vegetation and included cattail (Typha sp.) and bulrush (Schoenoplectus californicus) and coyote brush (Baccharis pilularis). Cattail and bulrush are both native species that provide important, although limited in this area, habitat for wildlife, and also aid in slope and sediment control and water quality issues. The project does not propose any significant construction or other ground disturbance.
within fifty feet of TOB. Therefore, staff has determined that, with implementation of applicable City standard BMPs and minimization measures included as part of the project description, potential impacts to this resource would be minimized to a less than significant level.

3. **Storm Water Run-off**

The project includes modifications to the existing drainage system, including infiltration basins and trenches, permeable pavers, curb notches and abandoning existing storm drain pipes, in order to retain and treat the runoff prior to conveying it to the adjacent drainage ditch.

The Creeks Division supports the approach of draining existing storm water runoff from the project site to the existing storm water drainage system on-site with modifications. The intent of the State/City storm water requirements is to appropriately manage storm water runoff volumes and rates and protect surface water quality by capturing and treating storm water run-off. The existing on site drainage system will be modified as described in the Storm Water Quality Report (Penfield & Smith, February 17, 2015). Eliminating direct, unimpeded conveyance of storm water run-off from this area of the site into the adjacent drainage will further reduce potential impacts to biological resources identified within/along the drainage corridor.

4. **Potential Tsunami Impacts**

The training facility is identified in the City’s MEA as within the tsunami “run-up” area. Available data indicates that the probability of a significant tsunami event in the Santa Barbara coastal area is low. In 2009, the California Emergency Management Agency (CalEMA) and the California Geological Survey completed inundation maps for all the at-risk portions of the California coastline. These maps show the maximum inundation predicted from an event, either historical or based on a scenario, from many different sources. Assumptions included credible source scenarios for both distant and local events, at mean high tide, to produce a worst case scenario inundation line. Run-ups go to about 10 feet in elevation onshore for the maximum distance event, and up to 20+ feet from a potential local off-shore earthquake/landslide source. Based on these projections and review of local mapping, a tsunami generated from a distant event (significant earthquake) would not reach the training facility, with exception being the basement/sump component of the existing tower. In the unlikely case of a significant local off-shore event (earthquake triggering undersea landslide), in addition to the inundation of the basement/sump component of existing tower, the training facilities could be surrounded by sea water at a depth of about five feet, but because the new facilities are steel structures, potential impacts would be less than significant.

5. **Sea Level Rise Potential Impacts**

While not currently addressed in the City’s MEA, sea level rise (SLR) has been a growing concern at both a global and local level. The most recent available data indicates that during the estimated 30 - 35 year life expectancy of the proposed project, a rise in sea level would range from a minimum of 5 inches to a maximum of 24 inches (National Resource Council 2012 & Ocean Protection Council 2013, Sea Level Rise
Projections for Year 2050). Based on these projections and review of local SLR mapping, although there would likely be an increase in occurrences of storm events, and potential sea level rise affecting the adjacent El Estero Drainage Ditch and surrounding properties over the next 35 years, the training facilities would not be significantly impacted.

VIII. DESIGN REVIEW

This project was reviewed by the Architectural Board of Review (ABR) on December 8, 2014 (meeting minutes are attached as Exhibit D). The ABR continued the project to the Planning Commission with positive comments, noting that the structures would not be readily visible to the public, and requested additional information on proposed colors and landscaping.

IX. FINDINGS

The Planning Commission finds the following:

A. ENVIRONMENTAL REVIEW

The project qualifies for an exemption from further environmental review under CEQA Guidelines Section 15183, based on the City staff analysis and the CEQA Certificate of Determination on file for this project.

B. DEVELOPMENT PLAN (SBMC §28.85.040)

1. The proposed development complies with all provisions of the Zoning Ordinance.
   
   *As identified in Section VI.A of the staff report, with approval of a Conditional Use Permit for the use and striping of parking as required by the conditions of approval, the project complies with all provisions of the Zoning Ordinance.*

2. The proposed development is consistent with the principles of sound community planning.

   *The proposed development would not be visible to the public and is a use that has been existing at the site for more than 30 years. The use is an important aspect of public safety training and helps to ensure public safety, an integral component of sound community planning.*

3. The proposed development will not have a significant adverse impact upon the community's aesthetics or character in that the size, bulk or scale of the development will be compatible with the neighborhood based on the Project Compatibility Analysis criteria found in Sections 22.22.145 or 22.68.045 of the Municipal Code.

   *The proposed development is not visible from public vantage points. The development has been reviewed by the City's Architectural Board of Review who found the project to be appropriate for the site in terms of size, bulk and scale.*

4. The proposed development is consistent with the policies of the City of Santa Barbara Traffic Management Strategy (as approved by City Resolution No. 13-010 dated as of March 12, 2013) as expressed in the allocation allowances specified in SBMC §28.85.050.
The proposed development is located within the Downtown Area, as identified in the Traffic Management Strategy and is an allowed category of development. The project is not anticipated to significantly increase traffic compared to the existing development because the additional buildings serve as fire training structures and not occupied space.

C. CONDITIONAL USE PERMIT FINDINGS (SBMC §28.94.020 & SBMC §28.73.030)

1. Any such use is deemed essential or desirable to the public convenience or welfare and is in harmony with the various elements or objectives of the Comprehensive General Plan.

The use as a Fire Training Facility was established more than 30 years ago and provides an essential use relative to public welfare and safety. This facility is used by the City Fire Department and other area fire departments for valuable training opportunities, and will enhance the emergency response and life-saving skills and abilities of local firefighting personnel. The project is in harmony with applicable policies of the Santa Barbara General Plan, as discussed in Section VI.B of the staff report.

2. Such uses will not be materially detrimental to the public peace, health, safety, comfort and general welfare and will not materially affect property values in the particular neighborhood involved.

The use as a Fire Training Facility has been operational in this location for more than 30 years and will not be detrimental to or affect property values in the neighborhood. Surrounding parcels are zoned for ocean-oriented light manufacturing use and are developed primarily with industrial-type uses, including the City’s wastewater treatment facility.

3. The total area of the site and the setbacks of all facilities from property and street lines are of sufficient magnitude in view of the character of the land and of the proposed development that significant detrimental impact on surrounding properties is avoided.

The one-acre project site is located within a two-acre parcel that is not adjacent to any streets and is screened from public view. Existing and proposed structures are low-scale and set back from the drainage to avoid detrimental impacts on surrounding properties.

4. Adequate access and off-street parking including parking for guests is provided in a manner and amount so that the demands of the development for such facilities are adequately met without altering the character of the public streets in the area at any time.

Access to the site is via an easement from Calle Cesar Chavez. Adequate space is available on-site for required parking, as identified in Section VI.A of the staff report, as well as the less formal parking for fire vehicles that occurs during fire training. Therefore, parking demands for the development are adequately met on-site. The project site is not adjacent to any public streets and therefore, the project will not negatively alter the character of the public streets.
5. The appearance of the developed site in terms of the arrangement, height, scale and architectural style of the buildings, location of parking areas, landscaping and other features is compatible with the character of the area. The Planning Commission shall have the authority to approve the design of open space. Design shall mean size, shape, location and usability for proposed private, public, or quasi-public purposes and development. Approval of such open spaces may be expressly conditioned upon an offer of conveyance by the owner to the City of Santa Barbara of the development rights, the right to prohibit the construction of additional buildings, or other property rights, necessary to achieve the purposes set forth in this title.

The site is not visible from public areas. The scale of building on-site is modest and consistent with adjacent development. The project has been reviewed by the Architectural Board of Review to ensure consistency with applicable design and landscape guidelines.

6. Compliance with any additional specific requirements for a conditional use permit.

The project is also consistent with the specific requirements/findings for a conditional use permit to allow an M-1 Use in the OM-1 Zone (SBMC §28.73.030), as identified below.

a. The use is compatible with ocean-dependent or ocean-related uses.

The site has been used as a fire training facility for more than 30 years, prior to adoption of the OM-1 Zone. The use would not conflict with or impact existing or future ocean-dependent or ocean-related uses as it is an intermittent use and does not generate significant noise, smoke or traffic. Due to design and operational characteristics of the Draeger training structures, the generation of smoke will be greatly reduced from the previous use of training tower for similar uses.

b. The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses. This finding shall be substantiated by competent evidence determined by the Planning Commission to be objective which includes no present or future demand for ocean-dependent or ocean-related uses.

The subject property is owned by the City of Santa Barbara, and the City’s wastewater treatment facility occupies the majority of the site. The portion of the site currently used as a fire training facility currently has no economic value because the City has no intention of leasing this portion of the site to any private entity due to potential conflicts with the existing wastewater treatment facility. There is currently no demand from any City enterprises for an ocean-related or ocean-dependent use of the remaining one-acre portion of the site.

D. COASTAL DEVELOPMENT PERMIT (SBMC §28.44.150)

1. The project is consistent with the policies of the California Coastal Act because it protects environmentally sensitive habitat areas, does not alter the existing drainage ditch and protects visual resources, as described in Section V.I.D of the Staff Report.

2. The project is consistent with all applicable policies of the City’s Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Code, as
described in Section VI.C of the Staff Report. This includes, but is not limited to, consistency with LCP Policies 6.8, 6.9 and 6.10 which serve to protect biological productivity and water quality of the City’s riparian resources and LCP Policy 9.1, which protects views to, from, and along the ocean and scenic coastal areas.

Exhibits:

A. Conditions of Approval
B. Site Plan
C. Applicant’s letter, dated November 5, 2014
D. ABR Minutes, dated December 8, 2014
E. Applicable General Plan Policies
F. Applicable Local Coastal Plan Policies
G. CEQA Certificate of Determination
EXHIBIT E
Rescue Mission
Staff Report
I. PROJECT DESCRIPTION

The project consists of a reduction in vehicle parking from 34 spaces to 19 spaces for the Santa Barbara Rescue Mission located at 535 E. Yanonali Street. Also included is the addition of 50 on-site bicycle parking spaces.

The Rescue Mission provides food, shelter and other services to Santa Barbara's homeless population. As part of the Rescue Mission's approval, 15 off-site parking spaces were provided at 525 E. Yanonali Street. Those spaces have since been eliminated, resulting in the need to amend the project approvals.

II. REQUIRED APPLICATIONS

The discretionary applications required for this project are:

A. A Modification to allow fewer than the required number of parking spaces (SBMC §28.92.110.A.1);

B. An Amendment to the Coastal Development Permit to allow the proposed reduction in parking for the Rescue Mission in the Appealable Jurisdiction of the City's Coastal Zone (SBMC §28.44.060); and

C. An Amendment to the Conditional Use Permit to allow the proposed reduction in parking for the existing Rescue Mission, a quasi-public facility (SBMC §28.94.030.W).

APPLICATION DEEMED COMPLETE: October 20, 2016
DATE ACTION REQUIRED: December 19, 2016

III. RECOMMENDATION

If approved as proposed, the project would conform to the City's Zoning and Building Ordinances and policies of the General Plan and Local Coastal Plan. Therefore, Staff recommends that the Planning Commission approve the project, making the findings outlined in Section IX of this report, and subject to the conditions of approval in Exhibit A.
IV. BACKGROUND

The Rescue Mission was originally approved by the City Council in 1986. The City Council, on appeal, approved a Conditional Use Permit (CUP), a Development Plan and a Parking Modification for the 30,057 square-foot development. At that time, the Rescue Mission consisted of a new facility to replace their facility at 202 State Street, and included the Main Facility building and Bethel House (Women's and children's facility), as well as 26 parking spaces.

On December 12, 1996, the Planning Commission approved a CUP, Development Plan, Coastal Development Permit (CDP) and Parking Modification for an expansion of the Rescue Mission. The project included a 3,151 square-foot addition to the Main Facility and a 3,711 square-foot addition to Bethel House (now referred to as the Fe Bland Building), with 19 parking spaces on site and 15 spaces off site (proposed across Yanonali Street at El Estero). This approval was appealed to the City Council who ultimately approved the project on February 11, 1997, moving the location of the off-site parking to the City's adjacent Desalination Plant (525 E. Yanonali Street). This off-site parking lot was approved by the City Council on May 6, 1997 as an Amendment to the CDP and CUP, and also through a lease agreement between the City and the Rescue Mission.

In November 2014, the City notified the Rescue Mission that the lease was going to be revoked due to the need to reactivate the Desalination Facility. In May 2015, the License Agreement was revoked. The Rescue Mission has been in contact with the City since that time to determine how to move forward and continue operation of the Rescue Mission.

A Building Permit is currently under review by the City for interior and exterior alterations to the facility. This permit is separate from the current request and the interior remodel was approved by Planning staff through a Substantial Conformance Determination in 2014, prior to the revocation of the off-site parking.

V. SITE INFORMATION

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<tr>
<th>Applicant:</th>
<th>Laurel Perez, Suzanne Elledge Planning and Permitting Services</th>
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<tbody>
<tr>
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<td>Santa Barbara Rescue Mission</td>
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<td>Adjacent Land Uses</td>
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<td>North – Highway 101</td>
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<tr>
<td>East – Calle Cesar Chavez and warehouse/light industrial</td>
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<td>South – E. Yanonali Street and Wastewater Treatment Facility</td>
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<td>West – Desalination Facility</td>
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VI. POLICY AND ZONING CONSISTENCY ANALYSIS

A. ZONING ORDINANCE CONSISTENCY

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<th>Standard</th>
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<td>-Front (Yanonali St.)</td>
<td>N/A</td>
<td>8-10' to building</td>
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<td>(Calle Cesar Chavez)</td>
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<td>-Interior</td>
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<tr>
<td>-Rear (Hwy 101)</td>
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<tr>
<td>Building Height</td>
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<td>Vehicle Parking</td>
<td>34 (per prior parking</td>
<td>19 (since May 2015)</td>
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*Modification requested

With the approval of the Parking Modification described below, the project would comply with the requirements of the OM-1 Zone.

1. PARKING MODIFICATION

When the Rescue Mission was approved, the City’s Zoning Ordinance did not define a specific parking requirement for rescue missions or shelter facilities. When the Rescue Mission proposed to expand in 1996, City Transportation staff determined that the proposed 34 parking spaces would satisfy the demand of the expanded facility. That determination was, in part, based on the fact that overnight users of the Facility rarely own cars and participants in the residential recovery program are not allowed to own cars. Therefore, parking would be primarily for volunteers, staff and visitors.

As explained in the Applicant Letter (Exhibit C), the Rescue Mission anticipated an expansion of programs, staff and volunteers as part of the Facility expansion approved in 1997. However, since that time there has actually been a reduction in staff, volunteers and vendors serving the Facility. The off-site parking lot was minimally used, and, based on aerial photos and information from the applicant, was used primarily as storage since at least 2008.

The Applicant has submitted a Parking Demand Analysis (Exhibit D) that includes a parking survey performed June 27-July 4, 2016. The Rescue Mission currently has 18 employees, with varying shifts, with a maximum of 12 employees on site at any given time. The parking survey found that there are an average of 11-12 cars parked on site, with a peak demand of 18 cars parked on site.

Currently, there is bike parking for approximately 50 bikes at the rear of the Rescue Mission. As part of this project, that bike parking would be formalized and new bike racks would be installed.

In 2014, the City adopted an Ordinance establishing Emergency Shelter Regulations (SBMC Ch. 28.79), which included a parking requirement of 1 space for every 8 beds and a bicycle parking requirement of 1 space per 4 beds. Based on these regulations, the
Rescue Mission, which has a maximum of approximately 178 beds (average is closer to 120 beds), would require a maximum of 22 parking spaces and 45 bicycle parking spaces. The Ordinance also allows exceptions to these parking requirements if it can be demonstrated that the proposed parking will satisfy the anticipated parking demand. Interestingly, these parking requirements are very close to the Rescue Mission’s proposed parking and to the findings of their Parking Demand Analysis. However, none of the prior approvals for the Rescue Mission included limitations on the number of beds or the number of people served, and staff is not proposing to include any such limits on the CUP at this time. Parking demand is not generated by the Rescue Mission clients, and staff believes that it is important to allow the Rescue Mission flexibility so that they can continue to adjust their programs as necessary to meet changing needs.

There are no proposed changes to the operation or intensity of use of the Rescue Mission. Staff has reviewed the Parking Demand Analysis and finds that the proposed 19 parking spaces and 50 bicycle parking spaces would satisfy the parking demand for the Rescue Mission.

2. CONDITIONAL USE PERMIT REQUIREMENTS

The only change to the Conditional Use Permit (CUP) would be the elimination of 15 off-site parking spaces and the formal addition of 50 bicycle parking spaces at the project site. A complete discussion of the adequacy of proposed parking is provided above. Staff has reviewed the conditions of approval for the existing Rescue Mission CUP and has confirmed that the Rescue Mission is in compliance with all applicable requirements. The Rescue Mission’s operations and parking needs have changed since the 1997 CUP approval. The offsite parking area has not been used for parking in many years and is not needed for the current or projected future parking demand. Therefore staff believes that the findings made in support of the CUP can still be made.

B. GENERAL PLAN CONSISTENCY

The project site is located in the East Beach Neighborhood as identified in the General Plan. This neighborhood is very diverse and includes land uses ranging from residential and hotel to industrial and manufacturing. The project site has been used by the Rescue Mission for approximately 30 years. No change in use or intensity of use is proposed as part of the project. Continued use of the facility would remain in compliance with the General Plan.

C. LOCAL COASTAL PLAN CONSISTENCY

The project site is located in Component 5 of the Local Coastal Plan (LCP). Major coastal issues in this area include seismic hazards; recreational opportunities in the waterfront; visitor-serving commercial possibilities; ocean-oriented industry related to the harbor area; and adequate services related to circulation, transit, and parking facilities. The project site is already developed and in use, and has been for approximately 30 years. The only change would be to eliminate off-site parking and install bicycle parking for 50 bicycles.

The City’s LCP includes several policies that relate to the provision of adequate parking to serve the development. As described above, staff believes that the proposed reduction in parking would satisfy the development’s parking demand. As such, the project would remain consistent with LCP Policies related to parking.
VII. ENVIRONMENTAL REVIEW

Staff has determined that the project qualifies for an exemption from further environmental review under Section 15301 of the California Environmental Quality Act (CEQA) Guidelines, which allows for minor alterations to existing facilities involving negligible or no expansion of use, and Section 15305, which allows for Modifications per the Zoning Ordinance.

VIII. DESIGN REVIEW

The only aesthetic change to the existing development at 535 E. Yanonali Street resulting from the elimination of off-site parking is the addition of bicycle parking, which is proposed to be located at the rear of the building. Staff anticipates that this review can be done administratively.

It should be noted that a proposal for an interior and exterior remodel of the Rescue Mission was reviewed and approved by the Architectural Board of Review on January 5, 2015. This project is separate from the proposed parking modification request and is currently in building plan check.

IX. FINDINGS

The Planning Commission finds the following:

A. PARKING MODIFICATION

The modification will not be inconsistent with the purpose and intent of the Zoning Ordinance and will not cause an increase in the demand for parking space or loading space in the immediate area. The Rescue Mission’s overnight users generally do not own vehicles and persons enrolled in the resident recovery program are not permitted to bring vehicles to the site. As discussed in Section VI.A.1 of the Staff Report, the 19 existing parking spaces on site, in conjunction with the 50 proposed bicycle parking spaces, are adequate to satisfy the demand generated by the Rescue Mission’s staff, volunteers, visitors and vendors.

B. CONDITIONAL USE PERMIT AMENDMENT (SBMC §28.94.020)

1. The use is deemed essential or desirable to the public convenience or welfare and is in harmony with the various elements and objectives of the General Plan, as described in Section VI.B of the Staff Report. The Santa Barbara Rescue Mission provides important services to Santa Barbara’s homeless population and the proposed project would allow the Mission to continue to serve individuals in need of its services.

2. The use will not be materially detrimental to the public peace, health, safety, comfort and general welfare and will not materially affect property values in the particular neighborhood involved. The Rescue Mission is an existing facility and use in an existing developed industrial area. No changes to the operation of the facility are proposed.

3. The total area of the site and the setbacks of all facilities from property and street lines are of sufficient magnitude in view of the character of the land and of the proposed development that significant detrimental impact on surrounding properties is avoided. The project remains consistent with the requirements of the OM-1 Zone, and parking for the facility has been determined to be adequate.
4. Adequate access and off-street parking including parking for guests is provided in a manner and amount so that the demands of the development for such facilities are adequately met without altering the character of the public streets in the area at any time. The Rescue Mission's overnight users generally do not own vehicles and persons enrolled in the resident recovery program are not permitted to bring vehicles to the site. The project site will provide 19 vehicle parking spaces and 50 bicycle parking spaces, which, as discussed in Section VI.A.1 of the Staff Report, would be adequate to meet the needs of the development.

5. The appearance of the developed site in terms of the arrangement, height, scale and architectural style of the buildings, location of parking areas, landscaping and other features is compatible with the character of the area. The only change to the existing on-site development associated with this project would be the addition of bike racks at the rear of the property. Staff has determined that these racks would not be visible from surrounding development and would be compatible with the character of the area.

C. COASTAL DEVELOPMENT PERMIT (SBMC §28.44.150)

1. The project is consistent with the policies of the California Coastal Act because the project is located in an existing urban area and all public services are available to serve the development.

2. The project is consistent with all applicable policies of the City's Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Code, as described in Section VI.C of the Staff Report.

Exhibits:
A. Conditions of Approval
B. Site Plan
C. Applicant's letter, dated October 7, 2016
D. Parking Demand Analysis dated October 7, 2016
E. Applicable Local Coastal Plan Policies
I. **PROJECT DESCRIPTION**

The project consists of the demolition and reconstruction of two existing one-story storage buildings (Building C is currently 3,154 square feet and would be reconstructed at 3,626 square feet; Building D would be rebuilt at 3,206 square feet) in approximately the same locations and permitting an "as-built" 1,341 square foot storage building (Building B). There is also an existing 875 square foot office building (Building A) and twenty-one parking spaces to remain on the 28,350 square foot site.

II. **REQUIRED APPLICATIONS**

The discretionary applications required for this project are:

A. A **Coastal Development Permit** (CDP2013-00003) to allow the proposed development in the Appealable and Non-Appealable Jurisdictions of the City’s Coastal Zone (SBMC §28.44); and

B. A **Development Plan** to allow the construction of 1,813 square feet of nonresidential floor area (SBMC §28.85.030).

**APPLICATION DEEMED COMPLETE:** March 21, 2014

**DATE ACTION REQUIRED:** May 20, 2014

III. **RECOMMENDATION**

If approved as proposed, the project would conform to the City’s Zoning and Building Ordinances and policies of the General Plan and Local Coastal Plan. In addition, the size and massing of the project are consistent with the surrounding neighborhood. Therefore, Staff recommends that the Staff Hearing Officer approve the project, making the findings outlined in Section IX of this report, and subject to the conditions of approval in Exhibit A.

**ATTACHMENT C**
IV. SITE INFORMATION AND PROJECT STATISTICS

A. SITE INFORMATION

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<tr>
<th>Applicant</th>
<th>Rex Ruskauff</th>
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<td>Verde Vista LLC</td>
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<td>General Urban-Ocean</td>
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<td></td>
<td>Related Industrial</td>
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<tr>
<td>Zoning</td>
<td>OM-1 Ocean-Oriented</td>
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<td>Local Coastal Plan</td>
<td>Ocean Oriented</td>
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<tr>
<td>Existing Use</td>
<td>Storage and warehouse</td>
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<tr>
<td>Topography</td>
<td>~2% Average Slope</td>
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<tr>
<td>Adjacent Land Uses</td>
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<tr>
<td>North</td>
<td>Rescue Mission</td>
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<td>South</td>
<td>Vercal Building</td>
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<tr>
<td>East</td>
<td>Warehouse building</td>
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<tr>
<td>West</td>
<td>El Estero Waste Water Treatment Plant</td>
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</table>
B. PROJECT STATISTICS

<table>
<thead>
<tr>
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<th>Proposed</th>
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<tbody>
<tr>
<td>Building A</td>
<td>875 sq. ft.</td>
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</tr>
<tr>
<td>Building B (as-built)</td>
<td>1,341 sq. ft.</td>
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<tr>
<td>Building C</td>
<td>3,154 sq. ft.</td>
<td>3,626 sq. ft.</td>
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<tr>
<td>Building D</td>
<td>3,106 sq. ft.</td>
<td>3,106 sq. ft.</td>
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</tbody>
</table>

V. POLICY AND ZONING CONSISTENCY ANALYSIS

A. ZONING ORDINANCE CONSISTENCY

The applicant is providing the required parking on site as described below:

Office Space (Building A) 1/250 = 3.5 spaces required
Storage (Building B) 1/500 = 2.7 spaces required
Boat Storage/Repair (Buildings C & D) 1/500 = 13.5 spaces required
Total required parking spaces = 19.7 spaces = 20 spaces required

<table>
<thead>
<tr>
<th>Lot Coverage</th>
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<td>-Building</td>
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<td>-Paving/</td>
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<td>20,712 sq. ft.</td>
<td>16,813 sq. ft.</td>
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<td>Driveway</td>
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<td>2,620 sq. ft.</td>
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<tr>
<td>-Landscaping</td>
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Once the project is complete, the existing and proposed buildings would be used for boat storage and/or repair and related office use, consistent with the allowed uses and development standards of the OM-1 (Ocean-Oriented Light Manufacturing) Zone. There are no setback requirements or minimum distance between buildings for nonresidential development on this site in the OM-1 Zone, and the height limit is 45 feet unless deemed a Community Benefit Project.

1. OM-1 OCEAN-ORIENTED LIGHT MANUFACTURING

The OM-1 Ocean Oriented Light Manufacturing Zone strives to provide for appropriate ocean dependent and ocean-related industrial uses in close proximity to the Harbor/Wharf Complex. The City recognizes that many lots and buildings within the OM-1 zone have uses that are non-conforming to the zone but are allowed to be maintained. The establishment of ocean-oriented uses is encouraged and the proposed use of the site for boat storage and repair conforms to the requirements of the zone.
2. DEVELOPMENT PLAN APPROVAL

Santa Barbara Municipal Code Chapter 28.85, which became effective on April 11, 2013, regulates the City’s Nonresidential Growth Management Program. In order to approve a development plan, the Staff Hearing Officer must find that the proposed project is consistent with the Zoning Ordinance, the principles of sound community planning, will not have a significant adverse impact on the neighborhood’s aesthetics and character, and is consistent with the policies of the City’s Traffic Management Strategy.

Under Chapter 28.85, square footage from Small and Minor Addition categories can be combined and used together for non-residential development projects. The 2,000 square foot limit per lot of Small Additions, combined with the 1,000 square foot limit per lot of Minor Additions, means that the total new non-residential square footage available per lot from these categories is 3,000 square feet.

Other than the “as-built” 1,341 square-foot storage building (Building B), no additions to the project site have taken place since the implementation of Measure E or the recently adopted Nonresidential Growth Management Ordinance. Therefore, the Small and Minor Addition categories are still available to this lot. This proposal consists of legalizing the “as-built” storage building (Building B) and replacing two existing warehouse buildings (Buildings C and D) in the same location. Building C will be 472 square feet larger than the existing structure and Building D will remain the same size. There are no changes proposed for Building A. Therefore the total amount of non-residential square footage requested is 1,813 square feet.

Transportation Planning Staff concluded there are no anticipated project-specific traffic impacts associated with the additional square footage because the proposed Industrial/boat storage use has a very low trip generation rate. In addition the City Transportation Planning Staff found the project consistent with policies of the City of Santa Barbara Traffic Management Strategy as expressed in SBMC 28.85.050, and that the project will result in the addition of a negligible amount of additional traffic to area streets, which will not result in any traffic impacts.

B. LOCAL COASTAL PLAN CONSISTENCY

The project site is located in Component 5 of the City’s Local Coastal Plan (LCP). This area is bordered by the existing Southern Pacific railroad right-of-way to the south, Garden Street to the west, U.S. 101 to the north, and Salsipuedes Street to the east and is designated Ocean Oriented Industrial, General Industrial, and Hotel and Related Commerce II. The LCP describes this area as a low-lying area which was once an estero and was filled with debris from structures destroyed in the 1925 earthquake. Coastal issues in Component 5 include potential seismic hazards related to liquefaction; recreational opportunities in the waterfront; visitor-serving commercial possibilities; ocean-oriented industry related to the harbor area; and adequate public services related to circulation, transit, and parking facilities. Tsunami and flooding hazards are also potential problems, in addition to the earthquake hazard which is present throughout the City’s downtown area.
Building supply firms and storage facilities are major uses in the immediate area, and a large land area is occupied by the City’s Wastewater Treatment Plant. The existing surrounding zoning is primarily M-1 light manufacturing; C-2 commercial zoning flanks Milpas Street.

Recognizing that there are limited areas designated and appropriate for industrial development in the City, the proposed boat storage and repair use is consistent with the LCP goals for this area. In addition, the proposed architectural style is compatible with the architecture of the industrial buildings in the neighborhood.

1. Potential Tsunami Impacts

The site is identified in the City’s MEA as within the tsunami “run-up” area. Available data indicates that the probability of significant tsunami event in the Santa Barbara coastal area is low. In 2009, the California Emergency Management Agency (CalEMA) and the California Geological Survey completed inundation maps for all the at-risk portions of the California coastline. These maps show the maximum inundation predicted from an event, either historical or based on a scenario, from many different sources. Assumptions included credible source scenarios for both distant and local events, at mean high tide, to produce a worst case scenario inundation line. Run-ups go to about 10 feet in elevation onshore for the maximum distant event, and up to 20+ feet from a potential local off-shore earthquake/landslide source. Based on these projections and review of local mapping, a tsunami generated from a distant event (significant earthquake) would potentially reach the site, as is located at approximately ten feet above sea level. In the unlikely case of a significant local off-shore event (earthquake triggering undersea landslide), the site could be surrounded by sea water at a depth of about ten feet, but because the buildings are large, primarily open, industrial buildings with relatively large openings and used primarily as storage or repair uses, potential impacts would likely be less than significant. Due to the project’s location in the flood zone the new buildings will be constructed using water resistant materials and construction methods for everything below the Base Flood Elevation (approximately 13.4 feet above sea level).

2. Sea Level Rise Potential Impacts

Additionally, sea level rise (SLR) has been a growing concern at both a global and local level. The most recent available data indicates that during the estimated 75-year life expectancy of the proposed project, a rise in sea level would range from a minimum of 17 inches to a maximum of 66 inches (National Resource Council 2012 & Ocean Protection Council 2013, Sea Level Rise Projections for Year 2090). Based on these projections and review of local SLR mapping, although there would likely be an increase in occurrences of significant storm events over the next 75 years, the site would not be significantly impacted.

C. General Plan Consistency

The project site is located in the East Beach Neighborhood, which is bounded on the north by Highway 101; on the south by Cabrillo Boulevard; on the east by the City Limits; and on the west by Santa Barbara Street. The East Beach Neighborhood is one of the more diverse
neighborhoods in the City from a land use perspective. The area between Santa Barbara Street and Milpas Street is currently developed with a diverse mix of industrial, manufacturing, hotel-motel, residential and public facility uses.

1. **Land Use Element**

The City’s recently adopted General Plan land use map is not yet in effect in the Coastal Zone. Therefore, the previous General Plan Land Use Designation of Ocean Oriented Industrial acts as the Local Coastal Plan Land Use Designation for this project. General Plan policies support Ocean Related industrial uses as an important land use in the City. Also, the site is zoned OM-1 (Ocean-Oriented Light Manufacturing). The proposed use of boat storage and repair is consistent with the uses permitted under the current General Plan designation.

As described above, the areas surrounding the project are developed with non-conforming uses such as the Santa Barbara Rescue Mission, the City’s Wastewater Treatment Plan, the McCormix Building, and the Vercal Building. This project proposes to remove the historically non-conforming uses of a cabinet maker and an auto repair business and to replace those uses with buildings for boat storage bringing the site into compliance with the General Plan Land Use Designation of Ocean Related Industrial.

The proposed project is also consistent with General Plan Policies to preserve and encourage the long-term integrity of light manufacturing uses (LG8), to protect industrial zoned areas (EF15), properly treat and reduce stormwater runoff generated on-site (ER20), development in areas designated as tsunami hazard zones shall be designed to minimize the potential for tsunami-related damage to the extent possible, and appropriately design structures in flood-prone areas (S46).

VI. **Storm Water Management Plan (SWMP) Compliance**

The project is required to comply with Tier 3 Storm Water Management Requirements and therefore, must construct storm water Best Management Practices (BMPs) onsite that will meet the treatment, volume reduction and peak runoff reduction requirements. Due to the fact that no increase in hardscape/footprint is being proposed this project is required to meet the water quality treatment requirement. The applicant is proposing three on-site retention basins to comply with this requirement in order to treat the one-inch, 24-hour storm for the entire project site.

VII. **Environmental Review**

The proposed project is within the scope of the 2011 General Plan and the program EIR analysis for the General Plan. The project is consistent with the development potential designated and analyzed by the Program EIR. City Staff have reviewed the project and determined that all project-specific environmental effects are substantially mitigated by the imposition of uniformly applied development policies and standards. Therefore, no further environmental analysis is required for this project pursuant to the California Environmental Quality Act (Public Resources Code 21082.3 and CEQA Guideline Section 15183). City Council environmental findings adopted for the General Plan remain applicable for this project.
VIII. **DESIGN REVIEW**

This project was reviewed by the Architectural Board of Review (ABR) on four separate occasions (meeting minutes are attached as Exhibit D). At the first meeting some Board members appreciated the simplicity of design for the industrial buildings while others found that additional character giving elements were needed along the street sides of the buildings. The Board stated their appreciation that the buildings would be set back from the property lines and requested additional landscaping at the front of the buildings.

As the project proceeded through the Development Application Review Team process the Board stated their appreciation for the added detail on the front of the buildings, and the added setbacks, green screen, eaves and awnings. The ABR requested additional landscaping and permeable paving along Calle Cesar Chavez Street and additional fenestration for the two new buildings.

On February 18, 2014, the Board determined the project was consistent with the Project Compatibility Criteria, stating that the project design is consistent with the surrounding area and neighborhood, the size, mass and height are appropriate for the site, and that the open space and landscaping have been greatly improved. The project will return to the Full Board for further review of the landscape plan and details after SHO action on the project.

IX. **FINDINGS**

Staff recommends that the Staff Hearing Officer make the following findings:

A. **CEQA ENVIRONMENTAL DETERMINATION**

The Staff Hearing officer finds that the project qualifies for an exemption from further environmental review under CEQA Guidelines Section 15183, based on the City staff analysis and the CEQA certificate of determination on file for this project.

B. **DEVELOPMENT PLAN APPROVAL FINDINGS (SBMC §28.85)**

1. The proposed development complies with all provisions of SBMC Title 28.

   *As discussed in section V.2., the proposed boat storage and repair use conforms to the allowed uses of the OM-1 Zone, which allows for Ocean Oriented Light Manufacturing, and the proposed development complies with all provisions of the Zoning Ordinance.*

2. The proposed development is consistent with the principles of sound community planning.

   *The proposed development is consistent with the principles of sound community planning as determined by the project’s consistency with the City’s General Plan land use designation and applicable policies, LG8 to protect industrial zone areas, EF15 properly treat and reduce stormwater runoff generated on-site (ER20), development in areas designated as tsunami hazard zones shall be designed to minimize the potential for tsunami-related damage to the extent possible, and appropriately design structures in flood-prone areas (S46),*
3. The proposed development will not have a significant adverse impact upon the community's aesthetics or character in that the size, bulk or scale of the development will be compatible with the neighborhood based on the Project Compatibility Analysis criteria found in Sections 22.22.145 or 22.68.045 of the Municipal Code.

The proposed buildings are similar in height and size to the nearby structures on Calle Cesar Chavez and Yanonali Streets. Also, the project was reviewed by the Architectural Board of Review and the proposed buildings were found acceptable for the surrounding area.

4. The proposed development is consistent with the policies of the City of Santa Barbara Traffic Management Strategy (as approved by City Resolution No. 13-010 dated as of March 12, 2013) as expressed in the allocation allowances specified in SBMC Section 28.85.050.

As described above, the project includes 1,813 net new square feet of boat storage and repair, comprised of the as-built building (Building B) and an addition to Building C. Staff used the City of Santa Barbara traffic model rates for industrial uses to calculate the anticipated amount of additional traffic generated as a result of the proposed project. If approved, the project will result in the addition of a negligible amount of additional traffic to area streets and is not anticipated to result in any traffic impacts.

C. COASTAL DEVELOPMENT PERMIT (SBMC §28.44.150)

1. The project is consistent with the policies of the California Coastal Act, because the project adequately addresses the applicable coastal issues for this area, described further in Section V.B of the Staff Report. Additionally, the project will not have adverse impacts on coastal views, nor will it impact access to the coastline or public recreation.

2. The project is consistent with all applicable policies of the City's Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Municipal Code because there are no sensitive resources on the project site, which is further described in Section V.B. of the Staff Report.

Exhibits:
A. Conditions of Approval
B. Site Plan
C. Applicant's letter, dated January 8, 2014
D. ABR Minutes
E. Applicable General Plan Policies
I. In consideration of the project approval granted by the Staff Hearing Officer and for the benefit of the owner(s) and occupant(s) of the Real Property, the owners and occupants of adjacent real property and the public generally, the following terms and conditions are imposed on the use, possession, and enjoyment of the Real Property:

A. **Order of Development.** In order to accomplish the proposed development, the following steps shall occur in the order identified:

1. Obtain all required design review approvals.
2. Pay Land Development Team Recovery Fee.
3. Submit an application for and obtain a Building Permit (BLD) to demolish any structures/improvements and/or perform rough grading. Comply with condition E "Construction Implementation Requirements."
4. Record any required documents (see Recorded Conditions Agreement section).
5. Permits.
   a. Submit an application for and obtain a Building Permit (BLD) for construction of approved development and complete said development.
   b. Submit an application for and obtain a Public Works Permit (PBW) for all required public improvements and complete said improvements.

Details on implementation of these steps are provided throughout the conditions of approval.

B. **Recorded Conditions Agreement.** The Owner shall execute a written instrument, which shall be prepared by Planning staff, reviewed as to form and content by the City Attorney, Community Development Director and Public Works Director, recorded in the Office of the County Recorder, and shall include the following:

1. **Approved Development.** The development of the Real Property approved by the Staff Hearing Officer on April 30, 2014, is limited to approximately 8,950 square feet of building area and consists of the demolition and reconstruction of two existing one-story storage buildings (Building C is currently 3,154 square feet and would be reconstructed at 3,626 square feet; Building D would be rebuilt at 3,206 square feet) in approximately the same locations and permitting an "as-built" 1,341 square foot storage building (Building B), and the improvements shown on the plans signed by the Staff Hearing Officer on said date and on file at the City of Santa Barbara. The existing 875 square foot office building and twenty-one parking spaces will remain on-site.

2. **Use Limitations.** Due to potential parking impacts, uses other than those allowed in the Ocean - Oriented Light Manufacturing (OM-1) are not permitted without
further environmental and/or Staff Hearing Officer review and approval. Prior to initiating a change of use, the Owner shall submit a letter to the Community Development Director detailing the proposal, and the Director shall determine the appropriate review procedure and notify the Owner.

3. **Uninterrupted Water Flow.** The Owner shall allow for the continuation of any historic flow of water onto the Real Property including, but not limited to, swales, natural watercourses, conduits and any access road, as appropriate.

4. **Landscape Plan Compliance.** The Owner shall comply with the Landscape Plan approved by the Architectural Board of Review (ABR). Such plan shall not be modified unless prior written approval is obtained from the ABR. The landscaping on the Real Property shall be provided and maintained in accordance with said landscape plan, including any tree protection measures. If said landscaping is removed for any reason without approval by the ABR, the owner is responsible for its immediate replacement.

5. **Storm Water Pollution Control and Drainage Systems Maintenance.** Owner shall maintain the drainage system and storm water pollution control devices in a functioning state. Should any of the project’s surface or subsurface drainage structures or storm water pollution control methods fail to capture, infiltrate, and/or treat water, or result in increased erosion, the Owner shall be responsible for any necessary repairs to the system and restoration of the eroded area. Should repairs or restoration become necessary, prior to the commencement of such repair or restoration work, the Owner shall submit a repair and restoration plan to the Community Development Director to determine if an amendment or a new Building Permit and Coastal Development Permit is required to authorize such work. The Owner is responsible for the adequacy of any project-related drainage facilities and for the continued maintenance thereof in a manner that will preclude any hazard to life, health, or damage to the Real Property or any adjoining property.

6. **Areas Available for Parking.** All parking areas and access thereto shall be kept open and available in the manner in which it was designed and permitted.

7. **Gates.** Any gates that have the potential to block access to any designated commercial space shall be locked in the open position during business hours.

C. **Design Review.** The project, including public improvements, is subject to the review and approval of the Architectural Board of Review (ABR). The ABR shall not grant project design approval until the following Staff Hearing Officer land use conditions have been satisfied.

1. **Screened Backflow Device.** The backflow devices for fire sprinklers, pools, spas and/or irrigation systems shall be provided in a location screened from public view or included in the exterior wall of the building, as approved by the ABR.

2. **Location of Dry Utilities.** Dry utilities (e.g. above-ground cabinets) shall be placed on private property unless deemed infeasible for engineering reasons. If dry
utilities must be placed in the public right-of-way, they shall painted “Malaga Green,” and if feasible, they shall be screened as approved by ABR.

3. **Trash Enclosure Provision.** A trash enclosure with adequate area for recycling containers (an area that allows for a minimum of 50 percent of the total capacity for recycling containers) shall be provided on the Real Property and screened from view from surrounding properties and the street.

   Dumpsters and containers with a capacity of 1.5 cubic yards or more shall not be placed within five (5) feet of combustible walls, openings, or roofs, unless protected with fire sprinklers.

D. **Requirements Prior to Permit Issuance.** The Owner shall submit the following, or evidence of completion of the following, for review and approval by the Department listed below prior to the issuance of any permit for the project. Some of these conditions may be waived for demolition or rough grading permits, at the discretion of the department listed. Please note that these conditions are in addition to the standard submittal requirements for each department.

1. **Public Works Department.**

   a. **Approved Public Improvement Plans.** Public Improvement Plans as identified in condition D.1.e. “Calle Cesar Chavez and Yananali Street Public Improvements” shall be submitted to the Public Works Department for review and approval.

   b. **Dedication.** Easements, as shown on the approved site plan and described as follows, subject to approval of the easement scope and location by the Public Works Department

   (1) A 128 square foot area for landing for existing access ramp.

   c. **Water Rights Assignment Agreement.** The Owner shall assign to the City of Santa Barbara the exclusive right to extract ground water from under the Real Property in an *Agreement Assigning Water Extraction Rights*. Engineering Division Staff prepares said agreement for the Owner’s signature.

   d. **Drainage and Water Quality.** The project is required to comply with Tier 3 of the Storm Water Management Plan (treatment, rate and volume). The proposed project includes four (4) retention basins totaling 4,071 cubic feet of storage. The Owner shall submit a hydrology report prepared by a registered civil engineer or licensed architect demonstrating that the new development will comply with the City’s Storm Water Management Plan. Project plans for grading, drainage, stormwater facilities and treatment methods, and project development, shall be subject to review and approval by the City Building Division and Public Works Department. Sufficient engineered design and adequate measures shall be employed to ensure that no significant construction-related or long-term effects from increased
runoff, erosion and sedimentation, urban water pollutants (including, but not limited to trash, hydrocarbons, fertilizers, bacteria, etc.), or groundwater pollutants would result from the project.

Calle Cesar Chavez and Yanonali Street Public Improvements. The Owner shall submit Public Works plans for construction of improvements along the property frontages on Calle Cesar Chavez and Yanonali Streets. Plans shall be submitted separately from plans submitted for a Building Permit, and shall be prepared by a licensed civil engineer registered in the State of California. As determined by the Public Works Department, the improvements shall include new and/or remove and replace to City standards, the following: remove existing driveway apron on Calle Cesar Chavez closest to intersection and construct new curb, gutter, and sidewalk, dedicate property for the existing access ramp, utility pole on Yanonali Street supplying telecommunication to the property shall be removed once the utility has been undergrounded, trench will be completed with asphalt concrete or concrete pavement on aggregate base or crack seal to the centerline of the street along entire subject property frontage and slurry seal a minimum of 20 feet beyond the limits of all trenching, preserve and/or reset survey monuments, protect and relocate existing contractor stamps to parkway, supply and install directional/regulatory traffic control signs per the CA MUTCD during construction, and storm drain stenciling. Any work in the public right-of-way requires a Public Works Permit.

e. **Haul Routes Require Separate Permit.** Apply for a Public Works permit to establish the haul route(s) for all construction-related trucks with a gross vehicle weight rating of three tons or more entering or exiting the site. The Haul Routes shall be approved by the Transportation Manager.

2. **Community Development Department.**

a. **Recordation of Agreements.** The Owner shall provide evidence of recordation of the written instrument that includes all of the Recorded Conditions identified in condition B “Recorded Conditions Agreement” to the Community Development Department prior to issuance of any building permits.

b. **Design Review Requirements.** Plans shall show all design, landscape and tree protection elements, as approved by the appropriate design review board and as outlined in Section C “Design Review,” and all elements/specifications shall be implemented on-site.

c. **Conditions on Plans/Signatures.** The final Resolution shall be provided on a full size drawing sheet as part of the drawing sets. A statement shall also be placed on the sheet as follows: The undersigned have read and understand the required conditions, and agree to abide by any and all
conditions which are their usual and customary responsibility to perform, and which are within their authority to perform.

Signed:

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<thead>
<tr>
<th>Property Owner</th>
<th>Date</th>
</tr>
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</table>

<table>
<thead>
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<table>
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</table>

<table>
<thead>
<tr>
<th>Engineer</th>
<th>Date</th>
<th>License No.</th>
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</table>

E. **Construction Implementation Requirements.** All of these construction requirements shall be carried out in the field by the Owner and/or Contractor for the duration of the project construction, including demolition and grading.

1. **Construction Contact Sign.** Immediately after Building permit issuance, signage shall be posted at the points of entry to the site that list the contractor’s name, and telephone number, construction work hours, site rules, and construction-related conditions, to assist Building Inspectors and Police Officers in the enforcement of the conditions of approval. The font size shall be a minimum of 0.5 inches in height. Said sign shall not exceed six feet in height from the ground if it is freestanding or placed on a fence. It shall not exceed 24 square feet if in a multi-family or commercial zone or six square feet if in a single family zone.

2. **Construction Storage/Staging.** Construction vehicle/ equipment/ materials storage and staging shall be done on-site. No parking or storage shall be permitted within the public right-of-way, unless specifically permitted by the Transportation Manager with a Public Works permit.

3. **Air Quality and Dust Control.** The following measures shall be shown on grading and building plans and shall be adhered to throughout grading, hauling, and construction activities:

   a. During construction, use water trucks or sprinkler systems to keep all areas of vehicle movement damp enough to prevent dust from leaving the site. At a minimum, this should include wetting down such areas in the late morning and after work is completed for the day. Increased watering frequency should be required whenever the wind speed exceeds 15 mph. Reclaimed water should be used whenever possible. However, reclaimed water should not be used in or around crops for human consumption.

   b. Minimize amount of disturbed area and reduce on site vehicle speeds to 15 miles per hour or less.
c. If importation, exportation and stockpiling of fill material is involved, soil stockpiled for more than two days shall be covered, kept moist, or treated with soil binders to prevent dust generation. Trucks transporting fill material to and from the site shall be tarped from the point of origin.

d. Gravel pads shall be installed at all access points to prevent tracking of mud onto public roads.

e. After clearing, grading, earth moving or excavation is completed, treat the disturbed area by watering, or revegetating, or by spreading soil binders until the area is paved or otherwise developed so that dust generation will not occur.

f. The contractor or builder shall designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust offsite. Their duties shall include holiday and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the Air Pollution Control District prior to land use clearance for map recordation and land use clearance for finish grading of the structure.

g. All portable diesel-powered construction equipment shall be registered with the state’s portable equipment registration program OR shall obtain an APCD permit.

h. Fleet owners of mobile construction equipment are subject to the California Air Resource Board (CARB) Regulation for In-use Off-road Diesel Vehicles (Title 13 California Code of Regulations, Chapter 9, § 2449), the purpose of which is to reduce diesel particulate matter (PM) and criteria pollutant emissions from in-use (existing) off-road diesel-fueled vehicles. For more information, please refer to the CARB website at www.arb.ca.gov/msprog/ordiesel/ordiesel.htm.

i. All commercial diesel vehicles are subject to Title 13, § 2485 of the California Code of Regulations, limiting engine idling time. Idling of heavy-duty diesel construction equipment and trucks during loading and unloading shall be limited to five minutes; electric auxiliary power units should be used whenever possible.

j. Diesel construction equipment meeting the California Air Resources Board (CARB) Tier 1 emission standards for off-road heavy-duty diesel engines shall be used. Equipment meeting CARB Tier 2 or higher emission standards should be used to the maximum extent feasible.

k. Diesel powered equipment should be replaced by electric equipment whenever feasible.
1. If feasible, diesel construction equipment shall be equipped with selective catalytic reduction systems, diesel oxidation catalysts and diesel particulate filters as certified and/or verified by EPA or California.

m. Catalytic converters shall be installed on gasoline-powered equipment, if feasible.

n. All construction equipment shall be maintained in tune per the manufacturer’s specifications.

o. The engine size of construction equipment shall be the minimum practical size.

p. The number of construction equipment operating simultaneously shall be minimized through efficient management practices to ensure that the smallest practical number is operating at any one time. Construction worker trips should be minimized by requiring carpooling and by providing for lunch onsite.

4. **Unanticipated Archaeological Resources Contractor Notification.** Standard discovery measures shall be implemented per the City master Environmental Assessment throughout grading and construction: Prior to the start of any vegetation or paving removal, demolition, trenching or grading, contractors and construction personnel shall be alerted to the possibility of uncovering unanticipated subsurface archaeological features or artifacts. If such archaeological resources are encountered or suspected, work shall be halted immediately, the City Environmental Analyst shall be notified and the Owner shall retain an archaeologist from the most current City Qualified Archaeologists List. The latter shall be employed to assess the nature, extent and significance of any discoveries and to develop appropriate management recommendations for archaeological resource treatment, which may include, but are not limited to, redirection of grading and/or excavation activities, consultation and/or monitoring with a Barbareño Chumash representative from the most current City qualified Barbareño Chumash Site Monitors List, etc.

If the discovery consists of possible human remains, the Santa Barbara County Coroner shall be contacted immediately. If the Coroner determines that the remains are Native American, the Coroner shall contact the California Native American Heritage Commission. A Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

If the discovery consists of possible prehistoric or Native American artifacts or materials, a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.
A final report on the results of the archaeological monitoring shall be submitted by the City-approved archaeologist to the Environmental Analyst within 180 days of completion of the monitoring and prior to any certificate of occupancy for the project.

F. Prior to Certificate of Occupancy. Prior to issuance of the Certificate of Occupancy, the Owner of the Real Property shall complete the following:

1. Repair Damaged Public Improvements. Repair any public improvements (curbs, gutters, sidewalks, roadways, etc.) or property damaged by construction subject to the review and approval of the Public Works Department per SBMC §22.60. Where tree roots are the cause of the damage, the roots shall be pruned under the direction of a qualified arborist.

2. Complete Public Improvements. Public improvements, as shown in the public improvement plans or building plans, shall be completed.

3. New Construction Photographs. Photographs of the new construction, taken from the same locations as those taken of the story poles prior to project approval, shall be taken, attached to 8 ½ x 11” board and submitted to the Planning Division.

G. General Conditions.

1. Compliance with Requirements. All requirements of the city of Santa Barbara and any other applicable requirements of any law or agency of the State and/or any government entity or District shall be met. This includes, but is not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.), the 1979 Air Quality Attainment Plan, and the California Code of Regulations.

2. Approval Limitations.
   a. The conditions of this approval supersede all conflicting notations, specifications, dimensions, and the like which may be shown on submitted plans.
   b. All buildings, roadways, parking areas and other features shall be located substantially as shown on the plans approved by the Staff Hearing Officer.
   c. Any deviations from the project description, approved plans or conditions may require changes to the permit and/or further environmental review. Deviations without the above-described approval will constitute a violation of permit approval.

3. Land Development Team Recovery Fee Required. The land development team recovery fee (30% of all planning fees, as calculated by staff) shall be paid at time of building permit application.

4. Site Maintenance. The existing site/structure(s) shall be maintained and secured. Any landscaping shall be watered and maintained until demolition occurs.
5. **Litigation Indemnification Agreement.** In the event the Staff Hearing Officer approval of the Project is appealed to the City Council, Applicant/Owner hereby agrees to defend the City, its officers, employees, agents, consultants and independent contractors ("City’s Agents") from any third party legal challenge to the City Council’s denial of the appeal and approval of the Project, including, but not limited to, challenges filed pursuant to the California Environmental Quality Act (collectively “Claims”). Applicant/Owner further agrees to indemnify and hold harmless the City and the City’s Agents from any award of attorney fees or court costs made in connection with any Claim.

Applicant/Owner shall execute a written agreement, in a form approved by the City Attorney, evidencing the foregoing commitments of defense and indemnification within thirty (30) days of being notified of a lawsuit regarding the Project. These commitments of defense and indemnification are material conditions of the approval of the Project. If Applicant/Owner fails to execute the required defense and indemnification agreement within the time allotted, the Project approval shall become null and void absent subsequent acceptance of the agreement by the City, which acceptance shall be within the City’s sole and absolute discretion. Nothing contained in this condition shall prevent the City or the City’s Agents from independently defending any Claim. If the City or the City’s Agents decide to independently defend a Claim, the City and the City’s Agents shall bear their own attorney fees, expenses, and costs of that independent defense.

**NOTICE OF DEVELOPMENT PLAN TIME LIMITS:**

The Staff Hearing Officer action approving the Development Plan shall expire four (4) years from the date of approval per Santa Barbara Municipal Code §28.85.090, unless:

1. A building or grading permit for the work authorized by the development plan is issued prior to the expiration date of the approval.

2. The Community Development Director grants an extension of the development plan approval upon finding that the applicant has demonstrated due diligence in implementing and completing the proposed project. The Community Development Director may grant one (1) one-year extension of the development plan approval.

**NOTICE OF COASTAL DEVELOPMENT PERMIT TIME LIMITS:**

The Staff Hearing Officer action approving the Coastal Development Permit shall expire two (2) years from the date of final action upon the application, per Santa Barbara Municipal Code §28.44.230, unless:

1. Otherwise explicitly modified by conditions of approval for the coastal development permit.
2. A Building permit for the work authorized by the coastal development permit is issued prior to the expiration date of the approval.

3. The Community Development Director grants an extension of the coastal development permit approval. The Community Development Director may grant up to three (3) one-year extensions of the coastal development permit approval. Each extension may be granted upon the Director finding that: (i) the development continues to conform to the Local Coastal Program, (ii) the applicant has demonstrated due diligence in completing the development, and (iii) there are no changed circumstances that affect the consistency of the development with the General Plan or any other applicable ordinances, resolutions, or other laws.

NOTICE OF TIME LIMITS FOR PROJECTS WITH MULTIPLE APPROVALS (S.B.M.C. § 28.87.370):

If multiple discretionary applications are approved for the same project, the expiration date of all discretionary approvals shall correspond with the longest expiration date specified by any of the land use discretionary applications, unless such extension would conflict with state or federal law. The expiration date of all approvals shall be measured from date of the final action of the City on the longest discretionary land use approval related to the application, unless otherwise specified by state or federal law.
January 8, 2014

Susan Reardon  
Staff Hearing Officer  
City of Santa Barbara  
630 Garden Street  
Santa Barbara, CA 93101

Re: Minor Coastal Development Permit

Susan,

I am requesting on behalf of my clients, Mark Rabatin and Jaime Melgoza, a Coastal Development Permit to replace two of the four buildings at 35 North Calle Cesar Chavez and to as-built permit an existing structure on site. The site is in a largely industrial area on the corner of Calle Cesar Chavez and Yanonali streets. It is 28,360 square feet of flat land with four existing buildings on it totaling 8,948 square feet. It is bounded by the Rescue Mission (OM-1, S-D-3) to the north, the Pat Scott Masonry (M-1, S-D-3) building to the east, the Vercel Building (OM-1, S-D-3) to the south and the El Estorial Waste Water Treatment (OM-1, S-D-3) plant to the west.

Building A is an 875 square foot, single story office building at the northern property line, and there are no proposed changes as part of this application. Building B, along the southern property line is proposed to be as-built permitted and represents 1,341 new square feet of building area. The two buildings proposed to be replaced identified as buildings C and D on the northeast and southwest sides of the property respectively. Building C will be a slightly different foot print from the existing building to create a rectangular footprint and add 427 square feet of new building area. The proposed location of building C is being relocated 9'-6" off the north property line to provide additional landscaping on the street side, currently building C is right up to the northern property line. Building D is being replaced at the exact same size, but is proposed to be relocated 6 feet to the east to create a larger landscape area at the southwest corner of the property. Building B is proposed to be as-built permitted and represents 1,341 new square feet of building area.

Site Drainage:
The site is in the flood plane with a base flood elevation of approximately 3.4 feet above the current finish grade. The proposed buildings will be constructed in conformance with FEMA standards. As far as the City Storm Water Management Program (SWMP), we are aware that the project is required to comply with Tier 3 measures. We are requesting to defer the required hydrology calculations / drainage report until after the hearing and if approved, be a condition of approval for the CDP. There is no grading proposed as part of this project, and proposed finish floors will be close to existing grade.

Parking:
The "required" parking is 21 stalls and is being provided on site. Parking requirements may change depending on the actual tenant and will be revised as required with the tenant improvement plans under a separate building permit.
Existing Conditions:
Currently existing on the property is a small office, a storage building, a cabinet shop and an auto repair business. Our proposal would replace the cabinet shop building and the auto repair building with buildings that are more suitable business that comply with the zoning, OM-1, S-D-3.

<table>
<thead>
<tr>
<th>Building Description</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Building – Building A</td>
<td>875 s.f.</td>
</tr>
<tr>
<td>Storage Building – Building B</td>
<td>1341 s.f.</td>
</tr>
<tr>
<td>&quot;Cabinet Shop&quot; – Cabinet C</td>
<td>3626 s.f.</td>
</tr>
<tr>
<td>&quot;Auto Repair Building&quot; – Building D</td>
<td>3106 s.f.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8948 s.f.</strong></td>
</tr>
</tbody>
</table>

("Cabinet Shop" and "Auto Repair" are the existing uses. The proposed uses are Boat Storage / Repair in conformance with the zoning designation.)

The "Cabinet Shop", Building C, is in need of being replaced due to its deteriorated condition and the fact that it is a raised dock building with the finish floor 3' above grade. This is an issue for any business because of accessibility but particularly a business that is serving the boating industry. As a cabinet shop, it is not compatible with the zoning. The new building will be marketed to ocean serving industry.

The “Auto Repair” building, Building D, is proposed to be replaced due to its deteriorated condition. Auto repair is also not compatible with the OM-1 zone and the new building will also be marketed to ocean serving industry. Both buildings are proposed as "empty shell" buildings and any tenant specific improvements will be done under separate build permits.

Exterior Lighting:
The new exterior lighting will be limited to the arm mounted shielded industrial lights as shown on the elevations. Existing exterior lighting for the remaining two buildings and site is proposed to remain.

Smoke and Odors:
It is not known at this time if the future tenants will create smoke or odors. If the tenants sell product only it is conceivable that there would be little or no smoke / odor. However if there is boat repair done on site, there would probably be resin odors associated with fiberglass repair. Until there is a tenant, it is not possible to answer this with any certainty.

Noise:
Similar to the response for smoke and odors, I cannot fully answer this. Being in the OM-1 Ocean Oriented Light Manufacturing, it is conceivable that there could be some noise associated with the repair of boats.

Geological:
A soils report has been prepared and included with this submittal.

Resource / Constraint Studies:
To my knowledge, there have been no biological assessment reports, archaeological reports or historic structures reports done for this property.

Trails / Easements:
There are no recreational trails or easements across this property.
Creeks:
This property is not located adjacent any creek.

Water / Sewer:
This property is currently served by City Water and Sewer and no new connections are required for the two new buildings.

Demolition / Construction:
Demolition should take no more than 3 weeks, after which the foundation can begin. The conceptual foundation design is for driven piles connected by grade beams and a slab on grade. There is no grading with the exception of digging the grade beams. Once the foundation and bulkhead wall is in, the metal building can be erected. As a pre-engineered building, start to finish should be very fast. All totaled, the expected demolition / construction time should be approximately 9 months. As far as expected equipment, there will be an excavator for demolition and digging of the grade beams, dump trucks to haul off the debris, a pile driver for the driven piles, concrete delivery trucks and a crane to stand up the structural frame. As far as workers on site, I would estimate that there would be as few as 4 and as many as 12 depending on the particular task at hand. Staging would take place entirely on site.

Staff Contact:
My clients and I had a meeting with Danny Kato to discuss the process. Out of that discussion, came the plan to apply for a Minor Coastal Development Permit to replace the two buildings. The project has before the Architectural Board of Review on two occasions, January 22, 2013 and February 4, 2013. It received positive comments at the meeting of the 4th with the Board generally liking the simplicity of the design of the proposed industrial buildings. It is my client's intent to market the new lease space to ocean / marine serving businesses.

Hazardous Materials:
Included with this application is a Phase 1 Environmental Site Assessment for the property that was prepared by Padre Associates, Inc. in March of 2008. In the conclusions section, the report states residual groundwater contamination associated with "offsite sources", particularly the adjacent card-lock fueling facility. There did not appear to be any contamination associated with the previous or current uses on site. There was an underground storage tank that was removed in 1988. The report also suggests that there may or may not be asbestos-containing materials and a report should be done by a California certified asbestos consultant. I can assure you that prior to demolition of the buildings, Santa Barbara County Air Pollution Control District will have to sign off on the demolition permit and that they will most likely require an asbestos survey that either clears the building or identifies asbestos containing material and how it should be abated.

I look forward to meeting with you and if you have any additional questions or need additional information, please do not hesitate to call or email me. 805.899.4864 / rpx@sbcxmail.com

Sincerely,

Rex Ruskauff,
Architect,
C23229

STUDIO
architecture & design

Rex Ruskauff, Architect
6152 Pedernal Ave
Goleta, CA 93117

ph 805.899.4864
rex@sbcxmail.com
Architectural Board of Review

Minutes

January 22, 2013

Motion: Continued two weeks to Full Board with comments:

1) Some Board members like the simplicity of design for the industrial building; others find that, particularly on the street-facing façades, additional character giving elements need to be incorporated.

2) Pulling the building back from Mason Street to provide better sight lines is appropriate. As much new landscaping at the front of the buildings on the street sides or elsewhere is strongly encouraged.

3) Provide better photo documentation of the rear of the site where Building D is proposed, and it is suggested to pull the building back from the property line so that windows could be added to the south facing elevation.

4) Provide a conceptual landscape plan.

February 4, 2013

Motion: Continued indefinitely to the Staff Hearing Officer with comments:

1) The Board appreciates the additional detail provided on the front of the building, setbacks, green screen, eaves and awnings, and the articulation of the additional side door.

2) Provide additional landscaping and some permeable paving off the Calle Cesar Chavez Street side of the proposed project.

3) Provide a detailed landscape plan.

4) For Building C, some Board members would like to see additional fenestration on the first floor.

5) For Building D south elevation, provide additional fenestration elements to add character to the building.

6) The proposed green screen should turn and run along the west side of EXHIBIT D
Building D.

7) Provide plate and ridge heights to all building elevations on the plans.

**June 24, 2013**

Motion: Continued two weeks to Full Board with comments:

1) Show the location of the trash enclosure, and the required ADA path of travel.

2) Provide the additional landscaping areas as discussed and sketched on the plans at this meeting (along north property line, south of building A, vine pockets along south property line).

3) Study the character of Building D along the rear property line for architectural enhancement. Provide plate and ridge height details.

4) Provide details of how the non-permitted Building B will be fire-rated. Provide articulation and look for opportunities to enhance the character of the existing structure; and provide composition elevations of the two combined units.

5) Show the possible location of the back-flow device, and provide some significant landscaping for screening.

6) Provide information and photos for fountain and benches.

7) Study widening the landscaping along the drive aisle and provide a consistent paving material along the front elevation; study providing additional landscaping trees.

8) Study the possibility of providing landscaping in the parkway along the Yananoli Street (between the sidewalk and curb).

**July 8, 2013**

Motion: Continued indefinitely to the Staff Hearing Officer for return to Full Board with comments:

1) Provide a landscape plan by a licensed landscape architect or licensed architect.

2) Remove the paving in the front along Calle Cesar Chavez, except at the curb cuts.

3) Provide enhanced landscaping at the patio area.

4) When returning with a color board and further building details, some Board members have concerns about the detailing for the false windows at the rear of the Building D.
February 18, 2014

The project returned to confirm that the Board made the Project Compatibility Analysis Criteria have been met with the following comments:

1) The project’s design is consistent with the existing site and the industrial zone. The existing function will remain.

2) It is consistent with the architectural character of the existing property and neighborhood.

3) The size, mass, scale, and height are appropriate and close to what was there before. It is smaller than the adjacent warehouses.

4) There are no adjacent historic resources.

5) The buildings remain in the same locations and approximate heights and thus do not impact public vistas.

6) The open space and landscaping has been improved dramatically. Return with a landscape plan by a licensed landscape architect.
General Plan
Land Use Element (2011)

Land Use Policies


Possible Implementation Actions to be Considered

LG8.1 Narrow Commercial Uses. Narrow the range of permitted commercial uses to ancillary types in the M-1 zone for protection of industrial/manufacturing and related land uses.

LG8.2 Limit Residential. Better define residential uses in the C-M Zone to both encourage priority housing and to protect existing manufacturing and industrial uses.

Economy and Fiscal Health Element

Local Economic Policies

EF15. Protect Industrial Zoned Areas. Preserve the industrial zones as a resource for the service trades, product development companies, and other industrial businesses not precluding priority housing in the C-M, Commercial Manufacturing Zone.

Environmental Resources Element

Hydrology, Water Quality and Flooding Policies

ER20. Storm Water Management Policies. The City’s Storm Water Management Program’s policies, standards and other requirements for low impact development to reduce storm water run-off, volumes, rates, and water pollutants are hereby incorporated into the General Plan Environmental Resources Element.

Possible Implementation Actions to be Considered

ER20.1 Storm Water Guidelines. The City's Storm Water Management Guidelines provide information on implementation measures such as ground water recharge, pervious surfacing, bioswales, detention basins, and green roofs. Update measures for street sweeping, storm-drain stenciling, and public outreach for inclusion in conditions of approval or as mitigation measures. Encourage the conversion of excess street paving between sidewalks and streets to bioswales.

ER20.2 Wash-Down Policies. Prepare or update regulations to limit the practice of hosing down driveways, to conserve water and reduce pollutants carried through urban run-off and conserve water per State Water Resources Control Board regulatory guidelines for storm water management.

ER20.3 Floodplain Mapping Update. Update the Flood Insurance Maps (FIRM) floodplain boundaries for Special Flood Hazard Areas such as the Mission and Sycamore creek drainages and Area A near the Estero.

EXHIBIT E
Safety Element

Geologic and Seismic Hazards

S14. Tsunami (Seismic sea waves). New development in areas designated as a tsunami hazard zone shall be designed to minimize the potential for tsunami-related damage to the extent possible.

Possible Implementation Actions to be Considered

S14.1 Minimize Open Storage Areas. Consider amending the Local Coastal Program to discourage land uses that require extensive areas of open storage within the designated tsunami hazard area, in order to reduce the amount of potential debris generated by a tsunami.

S14.2 Minimize Structural Damage. To the extent possible, design new projects within the designated tsunami hazard zone to divert water to acceptable locations using structures such as walls, compacted terraces and berms, and parking structures, in order to minimize damage to structures intended for human occupancy. Encourage retrofits to existing development.

Flood Hazards

S46. Development in Flood Hazard Areas. The potential for flood-related impacts to health, safety, and property may be reduced by limiting development in flood-prone areas. New development or redevelopment located within a designated 100-year floodplain shall be required to implement appropriate site and structure designs consistent with regulatory requirements that minimize the potential for flood-related damage, and shall not result in a substantial increase in downstream flooding hazards.
The project consists of the demolition and reconstruction of two existing one-story storage buildings (Building C is currently 3,154 square feet and would be reconstructed at 3,626 square feet; Building D would be rebuilt at 3,206 square feet) in approximately the same locations and permitting an “as-built” 1,341 square foot storage building (Building B). There is also an existing 875 square foot office building (Building A) and twenty-one parking spaces to remain on the 28,350 square foot site.

The discretionary applications required for this project are:

1. A Coastal Development Permit (CDP2013-00003) to allow the proposed development in the Appealable and Non-Appealable Jurisdictions of the City’s Coastal Zone (SBMC Chapter 28.44); and
2. A Development Plan to allow the construction of 1,813 square feet of nonresidential development (SBMC §28.85.030).

The project activity is within the scope of the 2011 General Plan and the Program EIR analysis for the General Plan. No further environmental document is required for this project pursuant to the California Environmental Quality Act (Public Resources Code §21083.3 and Code of Regulations §15183). City Council environmental findings adopted for the 2011 General Plan, remain applicable for this project. The project requires an environmental finding pursuant to California Environmental Quality Act Guidelines Section 15183.

WHEREAS, the Staff Hearing Officer has held the required public hearing on the above application, and the Applicant was present.

WHEREAS, no one appeared to speak either in favor or in opposition of the application thereto, and the following exhibits were presented for the record:

1. Staff Report with Attachments, April 23, 2014.
2. Site Plans

ATTACHMENT D
NOW, THEREFORE BE IT RESOLVED that the City Staff Hearing Officer:

I. Approved the subject application making the following findings and determinations:

A. **CEQA ENVIRONMENTAL DETERMINATION.**

   The project qualifies for an exemption from further environmental review under CEQA Guidelines Section 15183, based on the City staff analysis and the CEQA certificate of determination on file for this project.

B. **DEVELOPMENT PLAN APPROVAL FINDINGS (SBMC §28.85)**

1. The proposed development complies with all provisions of SBMC Title 28.

   As discussed in section V.2. of the written staff report dated April 9, 2014, the proposed boat storage and repair use conforms to the allowed uses of the OM-1 Zone, which allows for Ocean Oriented Light Manufacturing, and the proposed development complies with all provisions of the Zoning Ordinance.

2. The proposed development is consistent with the principles of sound community planning.

   *The proposed development is consistent with the principles of sound community planning as determined by the project's consistency with the City's General Plan land use designation and applicable policies, LG8 to protect industrial zone areas, EF15 properly treat and reduce storm water runoff generated on-site (ER20), development in areas designated as tsunami hazard zones shall be designed to minimize the potential for tsunami-related damage to the extent possible, and appropriately design structures in flood-prone areas (S46)*

3. The proposed development will not have a significant adverse impact upon the community's aesthetics or character in that the size, bulk or scale of the development will be compatible with the neighborhood based on the Project Compatibility Analysis criteria found in Sections 22.22.145 or 22.68.045 of the Municipal Code.

   *The proposed buildings are similar in height and size to the nearby structures on Calle Cesar Chavez and Yanonali Streets. Also, the project was reviewed by the Architectural Board of Review and the proposed buildings were found acceptable for the surrounding area.*
4. The proposed development is consistent with the policies of the City of Santa Barbara Traffic Management Strategy (as approved by City Resolution No. 13-010 dated as of March 12, 2013) as expressed in the allocation allowances specified in SBMC Section 28.85.050.

The project includes 1,813 net new square feet of boat storage and repair, comprised of the as-built building (Building B) and an addition to Building C. Staff used the City of Santa Barbara traffic model rates for industrial uses to calculate the anticipated amount of additional traffic generated as a result of the proposed project. If approved, the project will result in the addition of a negligible amount of additional traffic to area streets and is not anticipated to result in any traffic impacts.

C. COASTAL DEVELOPMENT PERMIT (SBMC §28.44.150)

1. The project is consistent with the policies of the California Coastal Act, because the project adequately addresses the applicable coastal issues for this area, described further in Section V.B of the of the written staff report dated April 9, 2014. Additionally, the project will not have adverse impacts on coastal views, nor will it impact access to the coastline or public recreation.

2. The project is consistent with all applicable policies of the City’s Local Coastal Plan, all applicable implementing guidelines, and all applicable provisions of the Municipal Code because there are no sensitive resources on the project site, which is further described in Section V.B. of the of the written staff report dated April 9, 2014.

II. Said approval is subject to the following Conditions of Approval:

A. Order of Development. In order to accomplish the proposed development, the following steps shall occur in the order identified:

1. Obtain all required design review approvals.

2. Pay Land Development Team Recovery Fee.

3. Submit an application for and obtain a Building Permit (BLD) to demolish any structures / improvements and/or perform rough grading. Comply with condition E “Construction Implementation Requirements.”

4. Record any required documents (see Recorded Conditions Agreement section).

5. Permits:
   a) Submit an application for and obtain a Building Permit (BLD) for construction of approved development and complete said development.
   
   b) Submit an application for and obtain a Public Works Permit (PBW) for all required public improvements and complete said improvements.
Details on implementation of these steps are provided throughout the conditions of approval.

B. **Recorded Conditions Agreement.** The Owner shall execute a *written instrument*, which shall be prepared by Planning staff, reviewed as to form and content by the City Attorney, Community Development Director and Public Works Director, recorded in the Office of the County Recorder, and shall include the following:

1. **Approved Development.** The development of the Real Property approved by the Staff Hearing Officer on April 30, 2014, is limited to approximately 8,950 square feet of building area and consists of the demolition and reconstruction of two existing one-story storage buildings (Building C is currently 3,154 square feet and would be reconstructed at 3,626 square feet; Building D would be rebuilt at 3,206 square feet) in approximately the same locations and permitting an “as-built” 1,341 square foot storage building (Building B), and the improvements shown on the plans signed by the Staff Hearing Officer on said date and on file at the City of Santa Barbara. The existing 875 square foot office building and twenty-one parking spaces will remain on-site.

2. **Use Limitations.** Due to potential parking impacts, uses other than those allowed in the Ocean - Oriented Light Manufacturing (OM-1) are not permitted without further environmental and/or Staff Hearing Officer review and approval. Prior to initiating a change of use, the Owner shall submit a letter to the Community Development Director detailing the proposal, and the Director shall determine the appropriate review procedure and notify the Owner.

3. **Uninterrupted Water Flow.** The Owner shall allow for the continuation of any historic flow of water onto the Real Property including, but not limited to, swales, natural watercourses, conduits and any access road, as appropriate.

4. **Landscape Plan Compliance.** The Owner shall comply with the Landscape Plan approved by the Architectural Board of Review (ABR). Such plan shall not be modified unless prior written approval is obtained from the ABR. The landscaping on the Real Property shall be provided and maintained in accordance with said landscape plan, including any tree protection measures. If said landscaping is removed for any reason without approval by the ABR, the owner is responsible for its immediate replacement.

5. **Storm Water Pollution Control and Drainage Systems Maintenance.** Owner shall maintain the drainage system and storm water pollution control devices in a functioning state. Should any of the project’s surface or subsurface drainage structures or storm water pollution control methods fail to capture, infiltrate, and/or treat water, or result in increased erosion, the Owner shall be responsible for any necessary repairs to the system and restoration of the eroded area. Should repairs or restoration become necessary, prior to the commencement of such repair or restoration work, the Owner shall submit a repair and restoration plan to the Community Development Director to determine if an amendment or a new Building Permit and Coastal Development Permit is required to authorize
such work. The Owner is responsible for the adequacy of any project-related drainage facilities and for the continued maintenance thereof in a manner that will preclude any hazard to life, health, or damage to the Real Property or any adjoining property.

6. **Areas Available for Parking.** All parking areas and access thereto shall be kept open and available in the manner in which it was designed and permitted.

7. **Gates.** Any gates that have the potential to block access to any designated commercial space shall be locked in the open position during business hours.

C. **Design Review.** The project, including public improvements, is subject to the review and approval of the Architectural Board of Review (ABR). The ABR shall not grant project design approval until the following Staff Hearing Officer land use conditions have been satisfied.

1. **Screened Backflow Device.** The backflow devices for fire sprinklers, pools, spas and/or irrigation systems shall be provided in a location screened from public view or included in the exterior wall of the building, as approved by the ABR.

2. **Location of Dry Utilities.** Dry utilities (e.g. above-ground cabinets) shall be placed on private property unless deemed infeasible for engineering reasons. If dry utilities must be placed in the public right-of-way, they shall be painted “Malaga Green,” and if feasible, they shall be screened as approved by ABR.

3. **Trash Enclosure Provision.** A trash enclosure with adequate area for recycling containers (an area that allows for a minimum of 50 percent of the total capacity for recycling containers) shall be provided on the Real Property and screened from view from surrounding properties and the street.

Dumpsters and containers with a capacity of 1.5 cubic yards or more shall not be placed within five (5) feet of combustible walls, openings, or roofs, unless protected with fire sprinklers.

D. **Requirements Prior to Permit Issuance.** The Owner shall submit the following, or evidence of completion of the following, for review and approval by the Department listed below prior to the issuance of any permit for the project. Some of these conditions may be waived for demolition or rough grading permits, at the discretion of the department listed. Please note that these conditions are in addition to the standard submittal requirements for each department.

1. **Public Works Department.**
   
a. **Approved Public Improvement Plans.** Public Improvement Plans as identified in condition D.1.e. “Calle Cesar Chavez and Yananoli Street Public Improvements” shall be submitted to the Public Works Department for review and approval.
b. **Dedication.** Easements, as shown on the approved site plan and described as follows, subject to approval of the easement scope and location by the Public Works Department.

(1) A 128 square foot area for landing for existing access ramp.

c. **Water Rights Assignment Agreement.** The Owner shall assign to the City of Santa Barbara the exclusive right to extract ground water from under the Real Property in an *Agreement Assigning Water Extraction Rights*. Engineering Division Staff prepares said agreement for the Owner’s signature.

d. **Drainage and Water Quality.** The project is required to comply with Tier 3 of the Storm Water Management Plan (treatment, rate and volume). The proposed project includes four (4) retention basins totaling 4,071 cubic feet of storage. The Owner shall submit a hydrology report prepared by a registered civil engineer or licensed architect demonstrating that the new development will comply with the City’s Storm Water Management Plan. Project plans for grading, drainage, storm water facilities and treatment methods, and project development, shall be subject to review and approval by the City Building Division and Public Works Department. Sufficient engineered design and adequate measures shall be employed to ensure that no significant construction-related or long-term effects from increased runoff, erosion and sedimentation, urban water pollutants (including, but not limited to trash, hydrocarbons, fertilizers, bacteria, etc.), or groundwater pollutants would result from the project.

e. **Calle Cesar Chavez and Yanonali Street Public Improvements.** The Owner shall submit Public Works plans for construction of improvements along the property frontages on **Calle Cesar Chavez and Yanonali Streets**. Plans shall be submitted separately from plans submitted for a Building Permit, and shall be prepared by a licensed civil engineer registered in the State of California. As determined by the Public Works Department, the improvements shall include new and/or remove and replace to City standards, the following: remove existing driveway apron on Calle Cesar Chavez closest to intersection and construct new curb, gutter, and sidewalk, dedicate property for the existing access ramp, utility pole on Yanonali Street supplying telecommunication to the property shall be removed once the utility has been undergrounded, trench will be completed with asphalt concrete or concrete pavement on aggregate base or crack seal to the centerline of the street along entire subject property frontage and slurry seal a minimum of 20 feet beyond the limits of all trenching, preserve and/or reset survey monuments, protect and relocate existing contractor stamps to parkway, supply and install directional/regulatory traffic control signs
per the CA MUTCD during construction, and storm drain stenciling. Any work in the public right-of-way requires a Public Works Permit.

f. **Haul Routes Require Separate Permit.** Apply for a Public Works permit to establish the haul route(s) for all construction-related trucks with a gross vehicle weight rating of three tons or more entering or exiting the site. The Haul Routes shall be approved by the Transportation Manager.

2. **Community Development Department.**

   a. **Recordation of Agreements.** The Owner shall provide evidence of recordation of the written instrument that includes all of the Recorded Conditions identified in condition B “Recorded Conditions Agreement” to the Community Development Department prior to issuance of any building permits.

   b. **Design Review Requirements.** Plans shall show all design, landscape and tree protection elements, as approved by the appropriate design review board and as outlined in Section C “Design Review,” and all elements/specifications shall be implemented on-site.

   c. **Conditions on Plans/Signatures.** The final Resolution shall be provided on a full size drawing sheet as part of the drawing sets. A statement shall also be placed on the sheet as follows: The undersigned have read and understand the required conditions, and agree to abide by any and all conditions which are their usual and customary responsibility to perform, and which are within their authority to perform.

   Signed:

   Property Owner       Date

   Contractor          Date       License No.

   Architect           Date       License No.

   Engineer            Date       License No.
E. **Construction Implementation Requirements.** All of these construction requirements shall be carried out in the field by the Owner and/or Contractor for the duration of the project construction, including demolition and grading.

1. **Construction Contact Sign.** Immediately after Building permit issuance, signage shall be posted at the points of entry to the site that list the contractor’s name, and telephone number, construction work hours, site rules, and construction-related conditions, to assist Building Inspectors and Police Officers in the enforcement of the conditions of approval. The font size shall be a minimum of 0.5 inches in height. Said sign shall not exceed six feet in height from the ground if it is free-standing or placed on a fence. It shall not exceed 24 square feet if in a multi-family or commercial zone or six square feet if in a single family zone.

2. **Construction Storage/Staging.** Construction vehicle/ equipment/ materials storage and staging shall be done on-site. No parking or storage shall be permitted within the public right-of-way, unless specifically permitted by the Transportation Manager with a Public Works permit.

3. **Air Quality and Dust Control.** The following measures shall be shown on grading and building plans and shall be adhered to throughout grading, hauling, and construction activities:
   
a. During construction, use water trucks or sprinkler systems to keep all areas of vehicle movement damp enough to prevent dust from leaving the site. At a minimum, this should include wetting down such areas in the late morning and after work is completed for the day. Increased watering frequency should be required whenever the wind speed exceeds 15 mph. Reclaimed water should be used whenever possible. However, reclaimed water should not be used in or around crops for human consumption.

b. Minimize amount of disturbed area and reduce on site vehicle speeds to 15 miles per hour or less.

c. If importation, exportation and stockpiling of fill material is involved, soil stockpiled for more than two days shall be covered, kept moist, or treated with soil binders to prevent dust generation. Trucks transporting fill material to and from the site shall be tarped from the point of origin.

d. Gravel pads shall be installed at all access points to prevent tracking of mud onto public roads.

e. After clearing, grading, earth moving or excavation is completed, treat the disturbed area by watering, or revegetating, or by spreading soil binders until the area is paved or otherwise developed so that dust generation will not occur.
f. The contractor or builder shall designate a person or persons to monitor the dust control program and to order increased watering, as necessary, to prevent transport of dust offsite. Their duties shall include holiday and weekend periods when work may not be in progress. The name and telephone number of such persons shall be provided to the Air Pollution Control District prior to land use clearance for map recordation and land use clearance for finish grading of the structure.

g. All portable diesel-powered construction equipment shall be registered with the state’s portable equipment registration program OR shall obtain an APCD permit.

h. Fleet owners of mobile construction equipment are subject to the California Air Resource Board (CARB) Regulation for In-use Off-road Diesel Vehicles (Title 13 California Code of Regulations, Chapter 9, § 2449), the purpose of which is to reduce diesel particulate matter (PM) and criteria pollutant emissions from in-use (existing) off-road diesel-fueled vehicles. For more information, please refer to the CARB website at www.arb.ca.gov/msprog/ordiesel/ordiesel.htm.

i. All commercial diesel vehicles are subject to Title 13, § 2485 of the California Code of Regulations, limiting engine idling time. Idling of heavy-duty diesel construction equipment and trucks during loading and unloading shall be limited to five minutes; electric auxiliary power units should be used whenever possible.

j. Diesel construction equipment meeting the California Air Resources Board (CARB) Tier 1 emission standards for off-road heavy-duty diesel engines shall be used. Equipment meeting CARB Tier 2 or higher emission standards should be used to the maximum extent feasible.

k. Diesel powered equipment should be replaced by electric equipment whenever feasible.

l. If feasible, diesel construction equipment shall be equipped with selective catalytic reduction systems, diesel oxidation catalysts and diesel particulate filters as certified and/or verified by EPA or California.

m. Catalytic converters shall be installed on gasoline-powered equipment, if feasible.

n. All construction equipment shall be maintained in tune per the manufacturer’s specifications.

o. The engine size of construction equipment shall be the minimum practical size.
p. The number of construction equipment operating simultaneously shall be minimized through efficient management practices to ensure that the smallest practical number is operating at any one time. Construction worker trips should be minimized by requiring carpooling and by providing for lunch onsite.

4. **Unanticipated Archaeological Resources Contractor Notification.** Standard discovery measures shall be implemented per the City master Environmental Assessment throughout grading and construction: Prior to the start of any vegetation or paving removal, demolition, trenching or grading, contractors and construction personnel shall be alerted to the possibility of uncovering unanticipated subsurface archaeological features or artifacts. If such archaeological resources are encountered or suspected, work shall be halted immediately, the City Environmental Analyst shall be notified and the Owner shall retain an archaeologist from the most current City Qualified Archaeologists List. The latter shall be employed to assess the nature, extent and significance of any discoveries and to develop appropriate management recommendations for archaeological resource treatment, which may include, but are not limited to, redirection of grading and/or excavation activities, consultation and/or monitoring with a Barbareño Chumash representative from the most current City qualified Barbareño Chumash Site Monitors List, etc.

If the discovery consists of possible human remains, the Santa Barbara County Coroner shall be contacted immediately. If the Coroner determines that the remains are Native American, the Coroner shall contact the California Native American Heritage Commission. A Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

If the discovery consists of possible prehistoric or Native American artifacts or materials, a Barbareño Chumash representative from the most current City Qualified Barbareño Chumash Site Monitors List shall be retained to monitor all further subsurface disturbance in the area of the find. Work in the area may only proceed after the Environmental Analyst grants authorization.

A final report on the results of the archaeological monitoring shall be submitted by the City-approved archaeologist to the Environmental Analyst within 180 days of completion of the monitoring and prior to any certificate of occupancy for the project.
F. Prior to Certificate of Occupancy. Prior to issuance of the Certificate of Occupancy, the Owner of the Real Property shall complete the following:

1. Repair Damaged Public Improvements. Repair any public improvements (curbs, gutters, sidewalks, roadways, etc.) or property damaged by construction subject to the review and approval of the Public Works Department per SBMC §22.60. Where tree roots are the cause of the damage, the roots shall be pruned under the direction of a qualified arborist.

2. Complete Public Improvements. Public improvements, as shown in the public improvement plans or building plans, shall be completed.

G. General Conditions.

1. Compliance with Requirements. All requirements of the city of Santa Barbara and any other applicable requirements of any law or agency of the State and/or any government entity or District shall be met. This includes, but is not limited to, the Endangered Species Act of 1973 [ESA] and any amendments thereto (16 U.S.C. § 1531 et seq.), the 1979 Air Quality Attainment Plan, and the California Code of Regulations.

2. Approval Limitations.
   a. The conditions of this approval supersede all conflicting notations, specifications, dimensions, and the like which may be shown on submitted plans.
   b. All buildings, roadways, parking areas and other features shall be located substantially as shown on the plans approved by the Staff Hearing Officer.
   c. Any deviations from the project description, approved plans or conditions may require changes to the permit and/or further environmental review. Deviations without the above-described approval will constitute a violation of permit approval.

3. Land Development Team Recovery Fee Required. The land development team recovery fee (30% of all planning fees, as calculated by staff) shall be paid at time of building permit application.

4. Site Maintenance. The existing site/structure(s) shall be maintained and secured. Any landscaping shall be watered and maintained until demolition occurs.

5. Litigation Indemnification Agreement. In the event the Staff Hearing Officer approval of the Project is appealed to the City Council, Applicant/Owner hereby
agrees to defend the City, its officers, employees, agents, consultants and independent contractors ("City’s Agents") from any third party legal challenge to the City Council’s denial of the appeal and approval of the Project, including, but not limited to, challenges filed pursuant to the California Environmental Quality Act (collectively “Claims”). Applicant/Owner further agrees to indemnify and hold harmless the City and the City’s Agents from any award of attorney fees or court costs made in connection with any Claim. Applicant/Owner shall execute a written agreement, in a form approved by the City Attorney, evidencing the foregoing commitments of defense and indemnification within thirty (30) days of being notified of a lawsuit regarding the Project. These commitments of defense and indemnification are material conditions of the approval of the Project. If Applicant/Owner fails to execute the required defense and indemnification agreement within the time allotted, the Project approval shall become null and void absent subsequent acceptance of the agreement by the City, which acceptance shall be within the City's sole and absolute discretion. Nothing contained in this condition shall prevent the City or the City’s Agents from independently defending any Claim. If the City or the City’s Agents decide to independently defend a Claim, the City and the City’s Agents shall bear their own attorney fees, expenses, and costs of that independent defense.

This motion was passed and adopted on the 30th day of April, 2014 by the Staff Hearing Officer of the City of Santa Barbara.

I hereby certify that this Resolution correctly reflects the action taken by the City of Santa Barbara Staff Hearing Officer at its meeting of the above date.

Kathleen God, Staff Hearing Officer Secretary  Date

PLEASE BE ADVISED:

1. This action of the Staff Hearing Officer can be appealed to the Planning Commission or the City Council within ten (10) days after the date the action was taken by the Staff Hearing Officer.

2. If the scope of work exceeds the extent described in the Modification request or that which was represented to the Staff Hearing Officer at the public hearing, it may render the Staff Hearing Officer approval null and void.

3. If you have any existing zoning violations on the property, other than those included in the conditions above, they must be corrected within thirty (30) days of this action.

4. Subsequent to the outcome of any appeal action your next administrative step should be to apply for Architectural Board of Review (ABR) approval and then a building permit.

5. PLEASE NOTE: A copy of this resolution shall be reproduced on the first sheet of the drawings submitted with the application for a building permit. The location, size and
design of the construction proposed in the application for the building permit shall not deviate from the location, size and design of construction approved in this modification.

6. **NOTICE OF DEVELOPMENT PLAN TIME LIMITS:**
The Staff Hearing Officer action approving the Development Plan shall expire four (4) years from the date of approval per Santa Barbara Municipal Code §28.85.090, unless:

1. A building or grading permit for the work authorized by the development plan is issued prior to the expiration date of the approval.

2. The Community Development Director grants an extension of the development plan approval upon finding that the applicant has demonstrated due diligence in implementing and completing the proposed project. The Community Development Director may grant one (1) one-year extension of the development plan approval.

7. **NOTICE OF COASTAL DEVELOPMENT PERMIT TIME LIMITS:**
The Staff Hearing Officer action approving the Coastal Development Permit shall expire four (4) years from the date of final action upon the application, per Santa Barbara Municipal Code §28.44.230, unless:

1. Otherwise explicitly modified by conditions of approval for the coastal development permit.

2. A Building permit for the work authorized by the coastal development permit is issued prior to the expiration date of the approval.

3. The Community Development Director grants an extension of the coastal development permit approval. The Community Development Director may grant up to three (3) one-year extensions of the coastal development permit approval. Each extension may be granted upon the Director finding that: (i) the development continues to conform to the Local Coastal Program, (ii) the applicant has demonstrated due diligence in completing the development, and (iii) there are no changed circumstances that affect the consistency of the development with the General Plan or any other applicable ordinances, resolutions, or other laws.

8. **NOTICE OF TIME LIMITS FOR PROJECTS WITH MULTIPLE APPROVALS (S.B.M.C. §28.87.370):**
If multiple discretionary applications are approved for the same project, the expiration date of all discretionary approvals shall correspond with the longest expiration date specified by any of the land use discretionary applications, unless such extension would conflict with state or federal law. The expiration date of all approvals shall be measured from date of the final action of the City on the longest discretionary land use approval related to the application, unless otherwise specified by state or federal law.
LOCAL COASTAL PLAN PHASE III
IMPLEMENTATION PROGRAM

OCEAN-ORIENTED INDUSTRIAL ZONE

PROPOSED CHANGE: From M-1, Light Manufacturing Zone to CM-1 Ocean-Oriented Light Manufacturing Zone.

I. BACKGROUND

The Ocean Dependent Activities section of the LCP emphasizes that the Harbor is a "...working harbor and a center of recreational activity." The LCP also established the need for appropriately zoned ocean dependent industrial land to complement the harbor uses. This need is also supported in the City's General Plan, Redevelopment Plan, Shoreline Master Plan and the Harbor Committee Task Force Report. These plans also discuss the need for an easterly breakwater to protect the harbor and wharf from sand build-up and easterly storms.

Policy 7.5 of the LCP requires that the land inland of the proposed easterly breakwater be rezoned to permit and encourage ocean-oriented industrial uses.

II. STUDY AREA (refer to map, Figure 1)

The area to be rezoned is between the recorded alignment of Garden Street on the west, the proposed extension of Yanonali Street on the north, Salsipuedes Street on the east, and the center line of the Southern Pacific Railroad track on the south. The area includes the City's Wastewater Treatment Facility, other industrial and warehouse uses, vacant land and the Easterly Drainage Channel.

III. ISSUE DISCUSSION

A. Access and Circulation

Currently, vehicular access to the area is quite limited, Salsipuedes Street runs along the easterly edge of the study area. Mason Street and Carpinteria Street have been improved up to the Wastewater Treatment Plant from Salsipuedes Street. Salsipuedes Street currently ends at the railroad and does not extend to Cabrillo Boulevard. However, the Public Works Department is working with the Public Utilities Commission and Southern Pacific Railroad to secure a crossing to eventually extend Salsipuedes Street to Cabrillo Boulevard. Just north of the study area is a southbound offramp from U. S. Highway 101 to Salsipuedes Street and the existing freeway undercrossing. Further to the north and west is a northbound on and off ramp for U. S. Highway 101. There is a southbound onramp at Milpas Street to the east and Montecito/Santa Barbara Street to the west.

Railroad access is quite good. The Southern Pacific Railroad runs along the southerly portion of the study area with a spur line extending along Salsipuedes Street. No further railroad extensions are anticipated.
In addition to the extension of Salsipuedes Street, the LCP requires the extension of Garden Street and Yanonali Street along the western and northern side of the study area. The Garden Street extension would coincide with the approximate location of the easterly breakwater.

As stated, ingress and egress to the area is very limited. There is no direct access between the harbor/wharf area and the study area. However, street extensions as specified in the LCP will make the area totally accessible and will promote its adjacency with the harbor/wharf complex. To date, two (2) recently approved projects have provided dedications to accomplish portions of those extensions. The Wright project secured partial extensions of Garden and Yanonali Streets. The Park Plaza Project provides the right-of-way dedications for the Salsipuedes Street extension. Additionally, the City possesses certain easements throughout the area for street purposes.

B. Non-Conforming Uses

Upon changing the zoning for the area, non ocean-dependent uses will become non-conforming as specified in Chapter 28.87 of the Municipal Code. During the discussions, prior to the adoption of the LCP, certain property owners voiced concern that current uses would not be allowed to remain.

In answer to such concerns, a proviso was included which would allow uses in the M-1 Zone subject to approval of a Special Use Permit by the Planning Commission. Additionally, in accordance with Chapter 28.87, regarding non-conforming uses, such uses can remain and buildings reoccupied by similar uses as long as the building does not remain vacant for more than one (1) year.

IV. RECOMMENDATION

This zone change is pursuant to Policy 7.5 of the Adopted Local Coastal Land Use Plan. Most of the issues surrounding the necessity for this zone were discussed during the LCP adoption hearing process. Staff recommends that the Planning Commission recommend approval to the City Council of the change in Land Use Zone Classification from M-1, Light Manufacturing Zone to OM-1 Ocean-Oriented Light Manufacturing Zone.
ORDINANCE NO. 4429

AN ORDINANCE OF THE COUNCIL OF THE CITY OF
SANTA BARBARA AMENDING THE MUNICIPAL CODE
BY ADDING CHAPTER 28.73 AND SUBSECTION 27
TO SECTION 28.94.030 PERTAINING TO THE
ESTABLISHMENT OF THE OM-1, OCEAN-ORIENTED
LIGHT MANUFACTURING ZONE AND REPEALING
ORDINANCE NO. 4171.

THE COUNCIL OF THE CITY OF SANTA BARBARA DOES ORDAIN AS FOLLOWS:

SECTION 1: Title 28 of the Santa Barbara Municipal Code is
amended by adding Chapter 28.73 which reads as follows:

Chapter 28.73 OM-1, Ocean-Oriented Light Manufacturing.

28.73.010 General.

The regulations contained in this Chapter shall apply in the OM-1 Ocean-Oriented
Light Manufacturing Zone unless otherwise provided in this Title. This zone
strives to provide for appropriate ocean-dependent and-related industrial uses
in close proximity to the Harbor/Wharf Complex. The City, while recognizing
that buildings existing at the time this Chapter was adopted are allowed to
maintain M-1 uses, encourages the establishment of ocean-oriented uses in such
buildings in keeping with the policies of the California Coastal Act and the
City's Coastal Plan. In addition, this zone is intended to provide a desirable
living environment by preserving and protecting surrounding residential land
uses in terms of light, air and existing visual amenities. (Ord. 4429,
1986; Ord. 4171, 1982)

28.73.030 Uses Permitted.

1. Any of the following uses provided that such operations,
manufacturing, processing or treatment of products are not obnoxious or
offensive by reason of emission of odor, dust, gas, fumes, smoke, liquids,
wastes, noise, vibrations, disturbances or other similar causes which may
impose a hazard to life or property:

a. Boat sales, storage, construction and/or repair;
b. Marine storage;
c. Public parking lots;
d. Sail manufacturing and repair;
e. Seafood processing and wholesaling;
f. Other ocean-related uses deemed appropriate by the Planning
Commission.
2. Any use other than those permitted in Section 28.73.030.1 above and permitted in the M-1 Zone subject to the restrictions and limitations contained therein and issuance of a Conditional Use Permit. A Conditional Use Permit may be granted by the Planning Commission or City Council on appeal, for such uses in the OM-1 Zone in accordance with the provisions of Chapter 28.94 of this Code, subject to the following additional findings:
   a. The use is compatible with ocean-dependent or ocean-related uses; and
   b. The property would have no feasible economic value if limited to ocean-dependent or ocean-related uses. This finding shall be substantiated by competent evidence determined by the Planning Commission to be objective which includes no present or future demand for ocean-dependent or ocean-related uses.

3. Structures in existence or developments which have a valid and unexpired approval from the Coastal Commission on the effective date of this Sub-section may be used for all uses permitted in the M-1 Zone.

4. Wastewater/sanitation treatment facilities sited on existing publicly owned lands pursuant to a conditional use permit.

28.73.050 Building Height.

Building height restrictions shall be the same as those provided for the M-1 Zone, Chapter 28.72 of this Code. (Ord. 4429, 1986; Ord. 4171, 1982)

28.73.060 Yards.

Yard restrictions shall be the same as those provided for the M-1 Zone, Chapter 28.72 of this Code. (Ord. 4429, 1986; Ord. 4171, 1982)

28.73.070 Distance Between Buildings On The Same Lot

Restrictions shall be the same as those provided for the M-1 Zone, Chapter 28.72 of this Code. (Ord. 4429, 1986; Ord. 4171, 1982)

28.73.080 Lot Area and Frontage Requirements

Restrictions shall be the same as those provided for the M-1 Zone, Chapter 28.72 of this Code. (Ord. 4429, 1986; Ord. 4171, 1982)

28.73.090 Coastal Zone Review

All development in the Coastal Overlay Zone is subject to review pursuant to Section 28.45.009 of this Code. (Ord. 4429, 1986; Ord. 4171, 1982.)
SECTION 2. Section 28.94.030 of Chapter 28.94 of Title 28 of the Santa Barbara Municipal Code is amended by adding a Subsection 27 which reads as follows:

27. Any use other than those permitted by Section 28.73.030.1 of the OM-1 Zone and permitted in the M-1 Zone and subject to those findings required in Section 28.73.030.2. and Section 28.94.020. (Ord. 4429, 1986; Ord. 4171, 1982.)

SECTION 3. Ordinance No. 4171 is repealed.

SECTION 4. Sections 1 and 2 of this Ordinance shall not be effective until thirty (30) days after it has been certified by the California Coastal Commission.

L2/4171
November 14, 2018

Dear Doug,

I am writing you regarding the market and our efforts to lease the property located at 35 N Calle Cesar Chavez to Ocean-Related/Ocean-Dependent OM-1 uses. All we do at Radius is professionally lease and sell Santa Barbara area commercial properties and we have excellent credentials and experience (www.radiusgroup.com). In early April of this year we put the subject property on the open market for lease targeting those marine related uses allowed within the City of Santa Barbara’s Ocean-Related/Ocean-Dependent OM-1 Zone (see attached flyer).

The economics that translated into our asking lease rate are as follows: $1.45 million land value, $1 million environmental cleanup (ended up closer to $1.5 million), $3 million in construction cost. We then applied a 5% return (most builders look for at least 8%+ given the risk/time) and that equates to a lease rate of $2.64 per square foot triple net (NNN). These rates are in line with comparable properties located at 425 Santa Barbara Street (6,000 sf auto body for $2.65 psf NNN), Tileco at 7 N Nopal (8,200 sf at $1.95 psf NNN) and Aquaflow at 225 S Milpas ($2.50 psf NNN for 8,000 sf) The subject property is brand new construction with unrivaled quality attributes and parking.

Verde Ventures LLC has invested or assumed a debt in excess of $6.5 million (amounts indicated below) to purchase and renovate 35 N Calle Cesar Chavez to City of Santa Barbara and FEMA A Zone Flood design criteria between March 2010 – November 2018:

- $1.45mil Property Purchase
- $305k Verde Ventures LLC (March 2010 – March 2017) supplement loan amount not covered by rental income
- $161.5k Loss of rent income (April 2017 – November 2018) for construction period
- $210k Verde Ventures LLC (February 2017 – November 2018) Property purchase loan payment
- $2.68mil Approvals, Permits, Testing, Design, Engineering and Construction
- $1.33mil RAP Contamination Testing, Monitoring, Construction, Legal, IAQ
- $64.5k Removal of 6 In-grade hydraulic vehicle hoists
- $320k Construction Loan Interest (non-conventional due to contamination)
We have been marketing the subject property in multiple forums, including on the MLS, Loopnet, Costar, Radius’ website, broker flyer distribution and tenant distribution. To date we have had NO inquiries on this OM-1 offering after 6+ months of effort. We reached out to boat builders, seafood processors, boat repair and there has been no interest whatsoever. I will send a follow up analytics with over 150 views on the MLS and over 7,500 views on Loopnet which is a coast to coast service we pay for.

Other commercial brokers in our market asked why we were marketing to a segment with no demand. I let them know about the zoning restrictions and I have received letters from Dan Moll of Hayes Commercial, Greg Bartholomew of Hayes Commercial and Jason Jaeger of Jaeger Partners (attached). Commercial brokers commented on the futility of the offering given the lack of marine demand and the critical demand for Santa Barbara industrial space.

Based upon our marketing experience and the reasonable investment by the Owners in the subject property (land cost/environmental cleanup and new construction) and the demonstrated lack of demand at a rent consistent with the owner’s investment in the property, the subject property has no feasible economic value if the allowed use of the property is limited to uses allowed in the OM-1 Zone.

Respectfully,

Brad Frohling
Principal
Radius Group Commercial Real Estate
205 E Carrillo Suite 100 | Santa Barbara, CA 93101
Direct: 805.879.9613 | Fax: 805.965.5300
Main: 805.965.5500 | Cel: 805.698.0272 | DRE #: 01323736
bfrohling@radiusgroup.com | www.radiusgroup.com
**Office**

Santa Barbara’s office vacancy ticked back up from 5.9% in Q1 2018 to 6.6% in Q2, roughly where 2017 ended (6.7%). While this is one of the highest vacancy rates we’ve seen for this sector over the last 17 years, when compared to other South Coast commercial sectors a 6.6% vacancy is not overly noteworthy. Still, we should continue to keep an eye on Santa Barbara’s office market. Average achieved gross rates dropped slightly from $2.93/SF in Q1 to approx. $2.88/SF in Q2. There were roughly 23 new leases during the quarter with the largest being 5,092 SF at 200 E. Carrillo subleased by Bright Market LLC. There remain 16 available office spaces in Santa Barbara larger than 5,000 SF, the largest being approx. 19,738 SF at 3620 State St., the prominent two-story building across from La Cumbre Plaza.

In Goleta, office vacancy has risen since the last quarter from 7.8% to 9.9% by the end of Q2. As is typically the case in Goleta, the office market is dictated by a few large vacancies. In this case the massive 112,480 SF office/R&D building at 715 S. Casitas was the market in June, offsetting (and then some) the approx. 110,000 SF total space leased during the quarter.

The largest new lease of the quarter was the 30,863 SF lease to Seek Thermal, Inc. at 6300 Hollister Ave. There remain 14 spaces for lease over 5,000 SF. Average achieved gross rates have decreased from approx. $1.98/SF in Q1 to $1.88/SF in Q2.

To the south, Carpinteria’s office vacancy decreased from 9.0% in Q1 to 7.3% in Q2. Average achieved gross rates increased slightly from $2.02/SF in Q1 to $2.11/SF in Q2. While back in 2015 rates were below $1.50/SF Gross and vacancy was around 23%, it does seem rates have now settled above $2.00/SF Gross for the foreseeable future. One contributing factor to this increase is a handful of multi-million dollar renovations improving the overall quality of office product in this market. The most notable lease of the quarter was Starr Indemnity and Liability leasing 10,395 SF at 1001 Mark Ave. There are currently 9 spaces for lease on the largest available space in Carpinteria (19,000 SF) which should further decrease the vacancy rate in this low-inventory office market.

**Industrial**

Santa Barbara industrial vacancy increased from 0.4% in Q1 to 0.5% in Q2. This is the tightest of all industrial submarkets in the South Coast and this very small increase will not have an effect on lease rates or overall vacancy. Since Q2 2017, average gross achieved rates have ranged between $0.90/SF and $2.02/SF (Q2 2018) with minimal transactions given the low inventory in this submarket. The influx of a new cannabis industry coupled with tenants being pushed out of the Funk Zone has helped drive rates higher, though we feel rates have stabilized.

Nearby, Goleta’s industrial vacancy has risen since Q2 2017, going from 0.9% to 4.0% in Q1 2018 and 5.1% in Q2 2018. Total vacant space at the end of Q2 was just over 214,000 SF. There is a good deal of activity in the market which should decrease over the next two quarters. Even with this vacancy increase we believe that lease rates will remain level over the rest of this year. With the pending airport industrial project and the four industrial Cabrillo buildings due to come online in 2019/20, this will provide much needed relief for industrial tenants who currently have very few options.

Carpinteria’s industrial market is the smallest in the South Coast, and the vacancy rate increased from 0.2% a year ago to 1.5% in Q1 and 3.6% in Q2. Current vacancies include just three industrial properties with two of those accounting for 44,000 SF of the total 46,730 SF.
available. There were no new leases in Q2. Average gross achieved rates have remained below $1.50/SF since Q2 2017.

Retail
At the end of Q1, there were 79 retail properties available for lease totaling 332,057 SF, with the vacancy rate at 3.2%. By the end of Q2, inventory rose to a whopping 96 properties totaling 390,348 SF with the vacancy rate increasing to 3.7%. That’s a 17% increase in the amount of retail space currently on the market and a 21% increase in the number of available properties. A handful of mid- to large-size properties came on the market during the quarter contributing to the vacancy increase, including the 17,000 SF Staples building prominently located at 410 State St.

During Q2 there were 14 new retail leases executed totaling 63,515 SF, a sizable increase in square footage versus Q1 when only 18,507 SF was leased. This is largely attributable to a 36,572 SF lease to Maserati & Alpha Romeo of Santa Barbara at 300 Hitchcock Way. The average gross achieved rate increased from $3.53/SF in Q1 to $3.75/SF by the end of Q2.

Of course Target remains one of the highlight retail stories this year with their much-anticipated entry into Santa Barbara, albeit with a smaller footprint in the 34,000 SF Galleria property at the Corner of State and La Cumbre. Originally slated to open this October after an extensive remodel, plans recently shifted to a 2019 opening. Additionally the retailer confirmed in July they will take over the Kmart location near the Calle Real Marketplace with plans to open a traditional-size (132,000 SF) store also in 2019.

Q2 Leasing Highlights

**LEASED | 6300 HOLLISTER AVE., GOLETA**
**OFFICE | APPROX. 30,863 SF**
In one of the largest South Coast leases of the quarter, Seek Thermal took approximately 30,863 SF of renovated Office/R&D space near the Santa Barbara Airport.

**LEASED | 26 CASTILIAN DR., GOLETA**
**OFFICE | APPROX. 11,979 SF**
Located near the Camino Real Marketplace in Goleta, this approx 11,979 SF updated open office space was leased by Toyon Research Corporation in April.

**LEASED | 1001 MARK AVE., CARPINTERIA**
**OFFICE | APPROX. 10,395 SF**
Spaces like this completely remodeled office property, leased to Starr Indemnity & Liability in April, are contributing to the overall quality of office product in the Carpinteria market.

**LEASED | 300 HITCHCOCK WAY, SANTA BARBARA**
**RETAIL | APPROX. 36,572 SF**
Maserati & Alpha Romeo of Santa Barbara signed a lease in May with the dealership potentially opening in December upon completion of construction. Rendering pictured above.
Second Quarter Sees Softening Sales

As the second quarter of 2018 came to close, market activity, as expected, did not seem to change much from the first quarter. Overall, the second quarter’s 15 sales brought the total number of sales for the first half of the year to 29. That is a sharp decline compared to the 49 commercial sales we recorded in the first half of 2017.

Total Q2 sales volume was approximately $50.2 Million compared to $69.5 Million this time last year, with the largest transaction of the quarter at 3045 De La Vina St. The 18,000 SF office building that shares a parking lot with Trader Joe’s at the upper end of the emerging De La Vina corridor traded for $9.5 Million. In fact a majority of Q2 sales came from Santa Barbara office properties which included 6 sales for a total of $21.4 Million.

So why has the transaction total decreased?

Chalk it up to a dearth of inventory compounded by a flattening of the market. Truth be told, the market in Santa Barbara has been flat since 2016. Additionally, there seems to be more hesitation from investors since we are in year 10 of a bull market, and as we all have seen, markets are cyclical. While there remain willing investors on the sidelines with plenty of cash to invest, politics, rising interest rates and the unknown as to when this bull market will end has made many more cautious.

Market positives

There are still many exchange buyers looking for investment property in Santa Barbara. We are seeing an influx of LA buyers looking for shelter in Santa Barbara real estate. This should continue as long as prime, long-term investments are sold and the sellers are faced with the decision to pay their substantial capital gains taxes or exchange and face the music another day. We also are still seeing prime, well located, trophy properties trading to long term holders paying cash for these properties.

Interest Rates

Borrowing rates are starting to impact market decisions now more than during the last several years. Ten year treasury rates, frequently used as the baseline index to determine mortgage rates at the bank, have increased over 1% in the last two years. This isn’t a shock to the market, but the trend is starting to take effect. Most lenders are quot-
Continued from P.1

ing rates in the 5.0%–5.5% range for 7–10 year loans for commercial properties while two years ago it was in the low 4’s.

Development
The extended entitlement and permitting process at the city (nothing new) and rising cost of construction have had a significant impact on development projects. In the last 2–3 years, we have seen construction costs increase 20%–30%. The reason for the increased costs is a result of simple economics, increased demand and limited supply of labor and materials. And now threatened trade wars and tariffs are starting to take their toll. We expect this increase in construction costs to affect land costs in the future.

MULTIFAMILY SALES SUMMARY

South County
The South Coast multifamily market continues to remain strong and should stay this way through 2018. Renters make up a large portion of the region’s population, with vacancy in the greater Santa Barbara area below 2% as it has been since 2011, which of course is very attractive to investors. Demand for rental units is expected to remain high due to economic, demographic and lifestyle trends, including the continuing trend of baby boomers and empty nesters choosing to downsize.

We expect rental rates remain strong, with slight increases depending on location. Additionally, the new tax law that went into effect at the end of last year may continue to dampen home sales, especially as more millennials continue to enter the market to buy only to see that it may be more attractive to rent.

There were 21 total sales of multifamily property on the South Coast during the second quarter. Five of those were larger than 5+ units in size, bringing total transactions through the first half of the year to 8, equaling where we were this time last year. Total sales volume for the quarter amounted to just over $110 Million. Additionally there are currently 15 properties 5+ units in size on the market.

Multi-family Sales Continued on P.3
Continued from P.2

Again, we remain in a very high-demand, low-supply market. There are many investors waiting on the sidelines, including 1031 exchange buyers looking for larger assets. Well located properties in good condition continue to sell quickly.

The largest sale of the year to date closed during Q2. The 37 property portfolio involved 66 residential income units in Isla Vista which sold for $76 Million. The buyers of the portfolio also simultaneously purchased a 5-unit property at 6777 Del Playa Dr. for $4.6 Million bringing their total acquisitions to more than $80 Million.

Certainly Isla Vista continues to be a draw for investors given the strength and popularity of UCSB, with many waiting in the wings for opportunities to place their money.

**Highlight Sales**

- **37 Property Portfolio (33 of them on the ocean side of Del Playa), Isla Vista** — 66 units, $76,000,000, 5/1/18
- **6777 Del Playa Dr., Isla Vista** — 5 units, $4,600,000, 5 units, $4,600,000, 5/1/18
- **215 W. Arrellaga St., Santa Barbara** — 10 units, $3,700,000, $370,000 PPU, 3.4% CAP, 4/17/18
- **712 W. Anapamu St., Santa Barbara** — 8 units, $2,170,000, $271,250 PPU, 2.89% CAP, 5/20/18

**North County**

The North County market remains strong in Lompoc and Santa Maria with a total of 11 total sales in Q2, all of which were 2-4 units in size. Just as in the South, it’s the same story here with a very low supply of inventory of larger properties to satiate investors. We currently count only (2) 5+ unit properties in escrow, with only one available 5+ unit listing that we know of.

**Ventura**

The story of low inventory and high demand also continues in Ventura County. There is a thirst for properties particularly in Ventura and Oxnard. Still there were a few very sizable sales of larger apartment properties during the quarter, most notably The Capes at Ventura at 760 S. Hill Rd. This was the largest sale of the quarter, with the 400-unit property trading in May for $100,000,000 ($250,000 PPU). Another notable sale was the 10-unit property at 6025 Woodland, Ventura which received multiple bids and sold for over asking price at $3,270,000 ($272,500 PPU). In total there were 4 total sales of 5+ unit properties during the quarter. We know of (2) 10+ unit properties currently in escrow.

Ventura vacancy continues to stay below 3%, where it has been for years, highlighting the market’s strong demand for rentals. We also seeing a slight increase in rents in the market depending on location.

**Highlight Sales**

- **The Capes, 750 S. Hill Rd., Ventura** — 400 units, $100,000,000, $250,000 PPU, 5/15/18
- **750 Clyde River Pl., Oxnard** — 136 units, $48,250,000, $354,779 PPU, 4/30/18 (55+ living community)
- **6025 Woodland St, Ventura** — 12 units, $3,270,000 (Sold over asking!), $272,500 PPU, 3.8% CAP, 5/8/18
### South Coast Leasing Summary

**Office**

Santa Barbara’s office vacancy ticked back up from 5.9% in Q1 2018 to 6.6% in Q2, roughly where 2017 ended (6.7%). While this is one of the highest vacancy rates we’ve seen for this sector over the last 17 years, when compared to other South Coast commercial sectors a 6.6% vacancy is not overly noteworthly. Still, we should continue to keep an eye on Santa Barbara’s office market. Average achieved gross rates dropped slightly from $2.93/SF in Q1 to approx. $2.88/SF in Q2. There were roughly 23 new leases during the quarter with the largest being 5,092 SF at 200 E. Carrillo subleased by Bright Market LLC. There remain 16 available office spaces in Santa Barbara larger than 5,000 SF, the largest being approx. 19,738 SF at 3820 State St., the prominent two-story building across from La Cumbre Plaza.

In Goleta, office vacancy has risen since the last quarter from 7.8% to 9.9% by the end of Q2. As is typically the case in Goleta, the office market is dictated by a few large vacancies. In this case the massive 112,480 SF office/R&D building at 71 S. Los Carreros came on the market in June, offsetting (and then some) the approx. 110,000 SF total space leased during the quarter. The largest new lease of the quarter was the 30,863 SF lease to Seek Thermal, Inc. at 6300 Holister Ave. There remain 14 spaces for lease over 5,000 SF. Average achieved gross rates have decreased from approx. $1.98/SF in Q1 to $1.88/SF in Q2.

To the south, Carpinteria’s office vacancy decreased from 9.4% in Q1 to 7.3% in Q2. Average achieved gross rates increased slightly from $2.02/SF in Q1 to $2.11/SF in Q2. While back in 2015 rates were below $1.50/SF Gross and vacancy was around 23%, it does seem rates have now settled above $2.00/SF Gross for the foreseeable future. One contributing factor to this increase is a handful of multi-million dollar renovations improving the overall quality of office product in this market. The most notable lease of the quarter was Starr Indemnity & Liability leasing 10,395 SF at 1001 Mark Ave. There are currently deals pending on the largest available space in Carpinteria (19,000 SF) which should further decrease the vacancy rate in this low-inventory office market.

### Industrial

Santa Barbara industrial vacancy increased from 0.4% in Q1 to 0.5% in Q2. This is the tightest of all industrial submarkets in the South Coast and this very small increase will not have an effect on lease rates or overall vacancy. Since Q2 2017, average gross achieved rates have ranged between $0.90/SF and $2.02/SF (Q2 2018) with minimal transactions given the low inventory in this submarket. The influx of a new cannabis industry coupled with tenants being pushed out of the Funk Zone has helped drive rates higher, though we feel rates have stabilized.

Nearby, Goleta’s industrial vacancy has risen since Q2 2017, going from 0.9% to 4.0% in Q1 2018 and 5.1% in Q2 2018. Total vacant space at the end of Q2 was just over 214,000 SF. There is a good deal of activity in the market which should decrease over the next two quarters. Even with this vacancy increase we believe that lease rates will remain level over the rest of this year. With the pending airport industrial project and the four industrial Cabrillo buildings due to come online in 2019/20, this will provide much needed relief for industrial tenants who currently have very few options.

Carpinteria’s industrial market is the smallest in the South Coast, and the vacancy rate increased from 0.2% a year ago to 1.5% in Q1 and 3.6% in Q2. Current vacancies include just three industrial properties with two of those accounting for 44,000 SF of the total 46,730 SF