



**MINUTES
PLANNING COMMISSION
CITY HALL COUNCIL CHAMBERS
154 SOUTH EIGHTH STREET
GROVER BEACH, CALIFORNIA
TUESDAY, MAY 8, 2007
6:30 P.M.**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a City meeting, please contact the City Clerk's Office (473-4568) at least 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

CALL TO ORDER: 6:30 p.m.

FLAG SALUTE: Commissioner Luce

PRESENT: Commissioners: Luce, Peterson, Snow, Vice Chair Keith, and Chair Marshall.

ABSENT: None.

PUBLIC COMMENTS: *At this point of the meeting, members of the public may bring up any items within the jurisdiction of the Planning Commission that are not on the agenda. Please limit your comments to three (3) minutes. The Planning Commission will listen to all comments; however, in compliance with the Brown Act, the Commission cannot act on items not on the agenda.*

There was no one present who wished to address the Planning Commission.

CORRESPONDENCE:

CONSENT AGENDA:

The following routine items listed below are scheduled for consideration as a group. The recommendations for each item are noted in parentheses. A member of the audience may speak on any items listed on the Consent Agenda. Any Planning Commissioner or Staff may request that an item be withdrawn from the Consent Agenda to allow for full discussion.

REGULAR BUSINESS:

- 1) **Approval of Minutes of Planning Commission meeting of February 26, 2007. (Recommendation: Staff recommends the Planning Commission approve the minutes as submitted.)** Minutes approved as written.
- 2) **Resolution Recognizing the Outstanding Planning Commission Service of Arlene Versaw.**

PUBLIC HEARING ITEMS:

3) Development Permit Application No. 05-025 (Continued from 4/10/07)

Applicant – IGIT, Inc.

This Development Permit Application is a request for approval of a Specific Development Plan, a Coastal Development Permit, Architectural and Site Plans, and a Vesting Tentative Tract Map to allow for the construction of a 29,189 square retail commercial/condominium hotel development. The applicant proposes development of a two and three-story building complex,

comprised of 20 condominium hotel units, 2,855 square feet of visitor serving commercial space, a 37 space underground parking garage, and site landscaping. Application review also involves consideration of a Mitigated Negative Declaration to meet the project's environmental requirements. The subject property is generally located at 105 West Grand Avenue, at the northwest corner of West Grand Avenue and State Highway 1. The property is located in the City's coastal zone and is zoned Coastal Planned Commercial (C-P-C). Planning Commission action is to consider a recommendation to the City Council. The project planner is Ray Hetherington.

Ray Hetherington presented the staff report. He stated that the item was a proposal to develop a commercial facility with a condominium/hotel development. Planner Hetherington described the specific proposed uses, as outlined in the staff report. The only access to the site is off of West Grand Avenue at the southwest corner of the site.

Planner Hetherington described the Project Application Consistency Analysis that was prepared for, and is included in, the staff report. Staff evaluated the consistency of the project with all relative City planning documents to ensure the project meets the goals and objectives of the City.

A noise analysis was conducted as part of the Initial Study document. Highway 1 and Grand Avenue are two sources of significant noise. In the noise analysis, it was found that some of the residential units have balconies that face Highway 1 or are exposed to noise from Highway 1 and do not meet the City standard for noise threshold. Planner Hetherington stated that the balconies could be eliminated, the project could be moved away from the highway, or totally enclose the balconies. There are no feasible mitigation measures that could be utilized to reduce the exterior noise levels. He stated that the Noise Element allows the City Council to waive or adjust the noise standards when full mitigation of noise is not possible, to allow reasonable use of the property, as long as noise is mitigated to the maximum extent feasible. One of the conditions of the Specific Development Plan is to recommend to the City Council the utilization of that waiver.

Director Hansen stated that staff has recommended that the project be denied without prejudice, because of unresolved architectural issues that have been discussed with the applicant. Should the Planning Commission wish to approve the project, staff has prepared the necessary resolutions with conditions so they can do that. If they do move for approval, there are additional conditions relative to public safety that need to be incorporated into the associated resolutions.

Planner Hetherington stated that the Local Coastal Plan (LCP) includes a conceptual Coastal Plan for a large area west of Highway 1 and north of Grand Ave., which includes this project site. At one point, the area was envisioned to be a large conference center. The Conference Center is now only being proposed on publicly owned land, and will not include this project site. There are development standards and requirements that apply to the original plan area. The City Council has made a determination that the development standards that were applicable to the original 22+ acre site are not applicable to anything other than the original 22 acre site.

Director Hansen stated that one of the major issues in those LCP conditions was related to ingress and egress being restricted to Le Sage. The second issue was related to design policies and considerations.

City Attorney Koczanowicz clarified that City Council determined that the part of the Coastal Plan that referred to the 22.5 acre development only applicable if the site were developed as

recommended in that scenario. The list of standards would only be applicable if that project went forward. They are not applicable to this project, nor the Beach Front Lodge project.

Planner Hetherington stated that the project meets the development standards of the CPC zoning district. Staff also feels that it is consistent with the Local Coastal Program because it does not inhibit access to coastal resources and provides opportunities for people to utilize those resources.

Planner Hetherington stated that since this is the front door to the beach area, it is an important site, and staff would like to see additional design considerations, as outlined in the staff report.

Vice Chair Keith asked about the concerns of the Coastal Commission regarding the riparian buffer zone. In the Coastal Commission letter, it was suggested that they might want the buffer zone to begin at the top of the berm that holds back the water. There was also a letter from the applicant addressing that concern. He asked what the chances of an appeal based on that issue and other items similar to it, that the measurement of the buffer zone is insufficient, if it is measured from the center of the waterway.

Planner Hetherington stated that this is in an appealable area and it could be a matter that the Coastal Commission may want to look at on appeal.

He stated that the biological report concluded that the development and the buffer would not have a significant effect on the riparian landscaping that is there now and it would not interfere with any wildlife movement, which was one of the other concerns. It is staff's opinion, based on the analysis, that the proposed buffer is adequate.

Commissioner Keith asked about the applicant's statement regarding a strip of land that lies on the western edge of the riparian way to the applicant's property edge.

Planner Hetherington stated that that strip is on a separately owned parcel and is undeveloped. It is staff's understanding is that it was originally designed to be an emergency access. The applicant for this project has no control over that area.

Director Hansen stated that the biological resource assessment was prepared by the same firm that did the original Beach Lodge Conference Center biological study. In that report, they indicated that there are certain mitigation measures that they would recommend. To address those issues, the report recommended that a riparian/avian habitat enhancement plan be prepared as part of the project landscape plan that would utilize and reintroduce the necessary vegetation that originally supported Meadow Creek.

One of the major issues of concern was the water runoff from landscaping. They made recommendations as to how that should be addressed in terms of containing and clarifying the water before returning it to the creek. Those conditions are set forth in the recommended mitigation measures. Most of the native special status animal species are not expected to occur on the property and therefore are not impacted by the proposed project. This information has been made available to the Coastal Commission since as a response to the comment.

Planner Hetherington stated that the initial study, including the biological studies, were distributed to the Department of Fish and Game for review, and no comments were received.

In addition to the mitigation measures in the original study, there were a couple of measures suggested in the supplemental reports that have been incorporated into one of the landscaping

conditions for the specific development plan.

Vice Chair Keith asked if anything could ever be built on the private land adjacent to the buffer of this project. Planner Hetherington stated that it is his understanding that according to the LCP, that area has to be maintained as a buffer. Vice Chair Keith asked if it could be used for ingress/egress. Director Hansen stated that the property he is referring to is not part of the subject property and is not part of this project. It has been set aside for emergency ingress/egress, and there was at one time a driveway apron to that site, but it has never been used.

Vice Chair Keith asked about the net square footage of the lot, since the Coastal Commission questioned the measurement of the lot. He asked if the measurement that the City used, which includes the right-of-way, is defensible. Director Hansen stated that it is defensible and that the legal description of the property is measured from the centerline of the street, and those are dedicated right of ways.

Vice Chair Keith referred to an indication in the staff report that the bridge, when it is replaced, is going to change grade level. He asked if that presented any difficulty for the project. Director Hansen stated that the elevation will have to adjust to the new elevation of the bridge. It will be anywhere from one to one and a half feet. Planner Hetherington stated that there is a condition related to that issue in the resolutions.

Commissioner Keith stated that his concern was regarding how significant the grade change would be, and what kind of view impact it would have.

City Engineer Jim Garing stated that the new bridge will be about $\frac{3}{4}$ of a foot above the existing bridge. By the time it is tapered out to the location of the driveway, it can likely be accommodated with the driveway design.

Vice Chair Keith asked about the suggestion in the staff report that the tower be relocated from its current planned location. He asked about the impact of that move to the viewshed, specifically of the proposed lodge and conference center.

Director Hansen stated that the land uses in the subject zone are subject to special landscaping and design treatments, intended to provide and protect a visual theme. Staff made a suggestion to create an entry theme. Relocating the tower feature further to the east, closer to Grand Avenue, and also include landscape opportunities to create entry features could address those issues. If the tower is relocated, it can open up the site. The facility is located in a sensitive visual area. The LCP requires that new development in the area be designed to be compatible and complimentary to the existing and natural vegetation. Relocating the tower and changing some of the design theme elements that would contribute to the visual theme and recreational experience of the project. It is apparent that, though extensive effort has been put forth by the architect, that there are still issues with the height, scale, bulk, and overall massing of the project, particularly the northern elevations.

He stated that the State Parks Department is very concerned about that area because it also recognizes the fact that it is a special location and it is the entry to the state park. Staff wants to create an entry door concept, and break up the mass of the project. The tower provides the kind of identity needed to set the stage in that area, but it needs to be relocated to an area that can be more visually oriented. The northern elevation needs to be addressed and the articulation of design elements needs to be carried from horizontal to vertical, including the stonework. By opening up the project, it becomes more pedestrian friendly, and it meets a number of the

Coastal Policies. For those reasons, staff made the recommendations before the Planning Commission. He stated that with further work with the applicant could yield a resolution to the issues, and staff could make a recommendation that the project move forward.

Commissioner Luce asked why the project was before the Commission with outstanding issues. Director Hansen stated that the applicant requested that the project be presented to the Commission even though there were outstanding issues. The applicant's position is that they have invested a great deal of effort to meet with City staff, Coastal Commission and Parks and Recreation, to come up with design solutions. However, staff still has many concerns, as he had indicated before, and for that reason, staff recommended denial without prejudice, which allows the applicant to re-file immediately and address the issues. Staff has worked closely with the applicant, and they have put a lot of time and effort into the project.

Commissioner Luce asked about the Coastal Commission letter regarding the condo/hotel use not being allowable in this zone. Planner Hetherington stated that that is related to the issues of the whole site previously being considered for the Beach Lodge Conference Center and the design standards set forth for that. Director Hansen stated that the Coastal Commission Executive Director has issued a memo regarding condo/hotels, and staff has made every effort to address those issues with the conditions of approval. The position of the Coastal Commission is that if there is going to be a condo/hotel, a tremendous amount of study must be done in order to support that use. He stated that it could be an issue with the Coastal Commission, and the applicant is aware of that possibility. Planner Hetherington stated that no individual is allowed to occupy the units for more than 29 days per year, thus, it will be considered a hotel.

Vice Chair Keith stated that it was his recollection that it was 85 or 87 days per year, with not more than 29 consecutive days, with further restrictions on major holidays. Director Hansen stated that the Coastal Commission has taken a position, and City staff has responded to that position by recommending conditions of approval that have been accepted in the past.

Planner Hetherington stated that the numbers that Vice Chair Keith referred to were proposed by the applicant, using numbers that had been utilized in the past. He stated that the resolutions before the Commission restrict the days to 29 per year, with other holiday restrictions.

Commissioner Peterson referred to the letter from the Coastal Commission that talks about public services, and it states that the LCP places requirements that 20 percent of the City's total annual water supply capacity and 20 percent of the City's total average sewer capacity be reserved and available for new and existing land uses within the City's portion of the Coastal Zone. The project architect responded with the projected water demand. There was no analysis of the numbers provided.

Planner Hetherington stated that the Coastal Commission's concern is to reserve enough sewer and water capacity to allow for the development of the Coast. Commissioner Peterson stated that she was concerned that the issue raised by the Coastal Commission was not adequately addressed. Planner Hetherington stated that he would be more concerned if this were a larger scale project.

City Engineer Jim Garing stated that this project should be a relatively small user of water. He could not ascertain if the question by the Coastal Commission had been answered to their satisfaction.

Commissioner Snow asked how many owners per unit would be allowed, and what impact that would have on the Transient Occupancy Tax (TOT). Director Hansen stated that the units will be

required to be in the hotel pool for the majority of the time and will generate TOT. If the owners are occupying the unit, they will also pay TOT. City Attorney Koczanowicz clarified that as written, the owner or owners are all limited to the 29 days total during the year, whether there is one owner or multiple owners. City Attorney Koczanowicz stated that it is his understanding that if the owners occupy the unit, TOT would not be collected.

Vice Chair Keith asked if there is a mechanism in place to monitor the collection of TOT. Planner Hetherington stated that that would be monitored by the City Finance Department, who would receive information from the operator of the project.

Chair Marshall opened the public hearing, and asked the applicant to address the Commission.

Ron Perkins, applicant, stated that this project has been going for two years, and that he doesn't like to come before the Commission with a denial recommendation, but they felt that they wanted to get the information before them for consideration.

George Garcia, project architect, presented their project, outlining the background of the project. He presented a power point slide presentation outlining the project design.

He addressed the area between their property and the Creek and stated that the biological plan regarding restoration. He stated that with the project, they can establish habitat that doesn't currently exist on the site. He stated that regarding the privately held land, they are willing to work with the other property owner to do some restoration in that area. He stated that their goal is to get the Planning Commission's recommendation for approval for the project.

He outlined the evolution of the project and the work done with staff and the Coastal Commission. In general, the thought is that this project and the proposed Beach Front Lodge project, while they are not connected, they should have some harmonious architectural elements between them. He described project details, including architectural features, varying heights, parking, bike parking and other features. Regarding the tower feature, he indicated that it houses the elevator and the stairs, so it is functional and also provides architectural interest. At the top, there will be a viewing area that would be available for customers and guests, as well as the general public, providing 360 degree views. He stated that they attempted to incorporate many of staff's suggestions, including adding natural features with stone and woodwork. Regarding the heights related to the proposed bridge, he indicated that they have about two feet of height that they can increase, and they hope that the bridge comes in as estimated at $\frac{3}{4}$ feet. Mr. Garcia then presented a 3d computer animation of the elevations.

Regarding design and massing, the idea of creating the height away from the corner, they want it to be a pedestrian oriented project, and encourage people to come to this project. One way to do that is to have activity on the project, which is why they located the café and outdoor seating areas near the corner to encourage people to walk to the location. He stated that located a large element such as the tower to the corner would be detrimental to the project, both from a design and functional standpoint. Even though this is a hotel, it is a quasi-mixed use project, and they are looking to enhance revenue to the City via TOT, but also the potential for retail. The entry will have landscaping, terraced walls, signing and other features.

Mr. Garcia stated that there was some discrepancy in the interpretation of their desires with regard to the limit on owners using the units. The goal for the project is to create condo hotel units that are individually owned. He clarified that the condos are not time shares, so even if there are multiple owners, they are restricted to a certain number of days per unit, not per owner. In response to concerns of the Coastal Commission, they proposed use restrictions in order to

meet the intent of the LCP. The language that they proposed suggested a maximum use of 84 days per year, with limitations for holiday periods, and requiring that when the owners are not in residence, that the rooms are available in the pool of hotel rooms for rental. There is also a limitation to 29 consecutive days for owner occupation. He stated that the project will not work with the more restrictive condition proposed by staff of 29 total days per year. He noted that the maximum annual stays vary, according to the memo from the Coastal Commission, from 45 days in Santa Cruz to 84 days in San Luis Obispo. The maximum consecutive stays across the board are 29 days. They modeled their project restrictions on the Pacific Plaza Resort in Oceano, which is governed by San Luis Obispo County. He requested that the condition be modified to reflect their requested use restrictions.

Commissioner Peterson asked again for clarification regarding the TOT tax and if it applies when the owners are in residence. Mr. Garcia indicated that it is his understanding that the owners would not be paying TOT.

Chair Marshall asked staff to address the condition related to owner occupancy. City Attorney Koczanowicz stated that the LCP provided specifically for this uses in the cases that were cited in the Coastal Commission memo. The LCP for the City of Grover Beach does not provide for the condo/hotel use, which is why staff recommended the minimum use for owner occupancy. He stated that all of these items are subject to ultimate Coastal Commission review and action, if they choose, regardless of what the Planning Commission and/or City Council decides. He stated that the number of days is within the purview of the Planning Commission.

Director Hansen stated that there is a policy under the Local Coastal Plan, which says that "All facilities shall be open to the general public. No individual ownership or long term uses of units shall be allowed. Rooms may not be rented to any individual, family or group more than 29 days per year, nor more than 14 days between Memorial Day and Labor Day." City Attorney Koczanowicz stated that there is not a current proposal to amend the LCP as part of this application. The applicant is looking for a policy interpretation that would permit 84 days of owner occupancy, and it is the Planning Commission's role to make that determination.

Commissioner Snow stated that it would seem from the language in the LCP that ownership is disallowed. City Attorney Koczanowicz stated that when the LCP was written, the concept of hotel/condos was not anticipated. Staff and the applicant are interpreting the language of the LCP to be as consistent with that language as possible. The issue of condo/hotels is being raised by the Coastal Commission. There may be modification and rules that may be instituted in the future, but at this time, they are working with the existing document, and staff has made an interpretation based on the circumstances, and based on the fact that they are being allowed up and down the coast.

Chair Marshall asked for direction from staff related to the applicant's request. City Attorney Koczanowicz stated that the issue before the Commission is whether or not the reading of the Local Coastal Plan would allow the interpretation for 84 days of use. Staff proposed a condition which they believe is the most consistent with the existing language. Any variance is within the Planning Commission's purview, including considering the applicant's request, or set another number, as they wish. The determination made will be subject to approval by the Coastal Commission.

Vice Chair Keith asked if they follow staff's recommendation for denial without prejudice, would the applicant be able to address the issue related to the LCP and come back with modification, or could they modify the LCP at that time. City Attorney Koczanowicz stated that both of those would be options. The applicant could make the changes recommended by the Planning

Commission. With regard to applying for an LCP amendment, they could do that if they wished, but it is a lengthy process. They also could make a change to the condition now.

Director Hansen stated that if the Coastal Commission opposes this use, they may recommend that before this project moves forward, the Coastal Plan be amended to provide clarity.

Mr. Garcia stated that this is not a very clear issue. He stated that the Code is silent on the issue of number of days and also the condo/hotel use in general. He stated that their request was based research of similar projects in the area. It is their opinion that an LCP amendment is not required at this time.

Mr. Garcia stated that Mitigation Measure 12, they would like to clarify the language in that condition to reference the Althouse and Mead study. In Mitigation Measure 14, there is duplicate language. For the Specific Plan resolution, they request a modification to increase the number of allowed occupancy days for owners, as discussed. Also, the Public Works condition related to the bridge, he asked if there was language that could be added to address the possibility of the projected height of the bridge impacting the height of the project. Regarding the tentative map resolution, they requested the ability to privately sub-meter the water, rather than have a separate meter for each unit.

He stated that the uses on this project are consistent with the policies and goals of the City, and hope that the Planning Commission will recommend approval to the City Council.

City Attorney Koczanowicz clarified that the language that was referenced by Director Hansen is contained in the portion of the LCP that is related to the project description that was applicable to the 22 acre project. Based upon the findings of the City Council, the specific conditions are only applicable if the City were to move forward with a project that encompassed the original 22 acres. Staff believes that it is applicable because of the Coastal Commission Concerns.

Vice Chair Keith asked the applicant what would happen if the Commission followed staff's recommendation and denied the project without prejudice. Mr. Garcia stated that he would ask for clarification. City Attorney Koczanowicz stated that the Planning Commission's action would be appealable to the City Council, whether it was a denial or approval. If denied, the applicant would have the option of either returning to the Commission with revisions or appeal the denial to the City Council.

Mr. Garcia stated that there have been a lot of issues to deal with in this project, but they have been working through the issues. They have been working with staff, and believe that they have a project that is approvable. He stated that the main issues are related to design, a lot of which are related to the potential Beach Lodge project that has not been designed yet. They have had discussions and correspondence that from a design standpoint have been difficult to deal with, since it requests the design to complement a project that has not been designed.

Regarding relocating the tower, Mr. Garcia stated that it has dramatic design implications, and impacts the project circulation. The tower element is vertical circulation which houses the stairs and elevator, so to move the element to address a future entry feature would be detrimental to the project design, the flow and the pedestrian nature of the project. They would entertain some signage or other proposals to provide the entry/gateway to the City's beach.

Commissioner Luce asked about incorporating a water feature, as suggested by staff, and how they would address the issue of noise on the balconies facing Highway 1.

Planner Hetherington stated that the Planning Commission could make the determination that the balconies could remain as designed based on the circumstances.

Mr. Garcia stated that the decks are not required, but it is an additional amenity. They felt that because this project is in a beach area, that providing outdoor spaces for the guests was important. The issue is only impacting three or four rooms.

Regarding the entry feature, he stated that it was his understanding that the language in the General Plan that it a suggestion but not policy or required. He stated that from a design standpoint, the building itself is the entry feature. He feels that they have created a sculptural element with the architecture of the building.

Director Hansen stated that this area requires special design consideration. The project has gone a long way over the last six months. He also indicated that the project had been withdrawn for a period of time, then was resubmitted and moved forward. He made some recommendations, such as relocating the vertical element, which would create an entry element and breaks up the interior courtyard. He recognized that it was a structural design change. There are other design solutions that could be addressed. Most of the elements that staff is looking for are in this design. There are additional elements that would bring the project into consistency with the LCP and the General Plan, and also create the gateway that State Parks has recommended. He stated that the vertical elements, need to be broken up on the westerly elevation.

Chair Marshall asked for specific direction regarding what staff wants to see. To him, this looks like a nice project.

Director Hansen stated that prior to this hearing, staff had made some recommendations. The applicant chose to move the project forward, in spite of the fact that staff was asking for more modifications. Staff is still of the opinion that design changes need to be implemented on the corner of the project.

Commissioner Luce stated that the tower looks a bit like a prison tower to her. She asked what the project would look like if the tower were relocated.

Mr. Garcia stated that they feel that their design is strong. The tower windows are actually clear, though they look dark in the elevations. It is meant to be reminiscent of a lighthouse or lifeguard tower. The tower element serves a function and demarcates the entry to lobby of the hotel. He asked if this project should be made to bear the cost of providing an entry feature to other areas and possible projects.

Commissioner Luce indicated that it was difficult to make the decision about whether to move the tower feature because they don't have anything illustrating what it would look like.

Director Hansen stated that staff makes recommendations, and after looking at the building mass, and if you look at the way it is presented, it has potential to address a number of issues. Not just making an entry feature to the beach area, but also for this project. The vertical tower is the key focal point of making it work. Relocating it could create some other problems potentially. On the other hand, it would provide a tremendous break up and open up the northerly portion of the building to the southerly portion. The north facing elevation is massive and it needs to be addressed. Relocating the tower will create identity for the project.

Mr. Perkins stated that Director Hansen is the third director since they started this project. He stated that their opinion is that their project should go forward as it is designed. They should not

have to redesign the project for the community's beach front lodge. He stated that they have incorporated a lot of suggestions by staff and the Coastal Commission, but they still have a long road, and the Coastal Commission may appeal the project. He feels that they have done enough and had to draw the line and move forward. He is asking for their consideration of the project.

Commissioner Snow stated that he is not concerned about the future beach front lodge project. He cares about this one, and feels that this is one of the most premier locations on the coast. This is a premier site that needs to have a premier design, and he doesn't feel that the project, as presented, meets that standard. He feels that the design needs further review.

Chair Marshall asked if the curb/gutter/sidewalk was going to be attached or have a landscape buffer. Director Hansen stated that this is a Cal-Trans right-of-way, and it has to be approved by Cal-Trans. Chair Marshall stated that he would prefer to see a detached sidewalk with landscaping along Highway 1. He asked if there was enough room to do that. Mr. Garcia stated that it depends on the ultimate lane configuration. Cal-Trans indicated that they do not need additional right of way, but they suggested that curb, gutter and sidewalk be provided. The City will determine the configuration. Chair Marshall stated that there needs to be good, safe pedestrian access in that area, and he feels that a landscape buffer would be good.

Chair Marshall stated that he was concerned about the north elevation. It seems a little stark, but he likes the brick. He asked Director Hansen what staff has suggested for that elevation. Director Hansen stated that they discussed that elevation with the architect, and after that discussion, the architect broke it up by articulating the vertical elements, but it is still a massive frontage that needs to be addressed. Mr. Garcia stated that the issue that they have on the north side is that it is a zero-property line. Due to requirements of a 1-hour wall, they weren't allowed to have any openings. In those instances, they try to treat the façade with different elements in terms of materials and trying to break up the mass vertically as well as horizontally.

Director Hansen stated that on other projects where there was a zero property line, they have articulated those areas with false windows and different types of treatment so that it gets away from that massive feeling. Chair Marshall stated that it is the three-story building that seems so massive.

Mr. Garcia stated that they tried to incorporate more horizontal elements into the project. He described how they incorporated wood and stone elements into that elevation to accomplish that.

There was more discussion about the proposed elements and elements that staff would like incorporated on the elevations. Also discussed was incorporating landscaping to soften the look of the building.

Director Hansen stated that because of the special nature of that site, it deserves extra consideration with regard to design. He believes that the project is close to meeting those standards.

Commissioner Peterson asked about the views from various perspectives, approaching from different areas. She asked if the tower were relocated on the corner would it be a visual obstruction to the site. Director Hansen stated that in his opinion it would create an element that people gravitate to. Commissioner Peterson stated that it seems that it would close it off, instead of opening it up. Director Hansen stated that the tower could be set back from the corner and incorporate landscaping to address that issue.

Chair Marshall asked if anyone from the public wished to comment.

Phillip Greenly, manager of Le Sage mobile home park, which is adjacent to the proposed project, expressed concerns about the project, including the size and use of the property, existing drainage issues that could be exacerbated by this project, lighting for the project that could impact residents, noise levels, traffic, fire lane access via the easement on the back of the property, and privacy issues for the spaces nearest to the project. The biggest issues are related to drainage and traffic flow, especially on weekends.

There was no one else present who wished to comment, and Chair Marshall closed the public hearing.

Vice Chair Keith stated that he is conflicted with this project. He stated that the Planning Commission's action was a recommendation to the City Council, and stated that he was certain that the City Council would be looking at the project carefully. He stated that there is a direct nexus to the largest project that is being pursued in the community, being the Beach Front Lodge/Conference Center. He stated that he likes this project as presented, but was conflicted between the staff recommendation for denial without prejudice and the alternative to make recommendations to City Council. Items for consideration include the allowable time periods for owner-occupancy of the units, issues related to the elevations and the change to the tower, signage, and attracting the public to that area. He believes this site is very important. He believes that moving the tower closer to the intersection would be the wrong architectural effect, providing an obstruction and that a café on the corner would be an attraction. He would like to see some public art and signage in the area. He acknowledged that the State attaches a lot of importance to the gateway feature at that intersection. He doesn't want the project to not occur, and he doesn't want to make it so difficult that the project is abandoned. He doesn't want to make it architecturally obstructive related to view corridor so that it impedes development of the Beach Front Lodge. He also stated that it isn't unusual for a project of this magnitude to be forwarded to City Council, and regardless of what the Commission recommends, the Council will spend a great deal of time making the best decision for the City. He stated that he is leaning toward recommending approval of the project to the City Council, with a few conditions, including architectural changes (excluding the tower) and improvements that were recommended by staff, adding more variation and improving the western elevation. He also stated that the time periods for the owner-occupancy will likely be decided by the Council and the Coastal Commission. He stated that the basic decision is determining if staff's concerns were sufficient to follow the recommendation or forward the project to the City Council and let them make the decision.

Commission Luce stated that she doesn't have enough information about moving the tower to make the determination if that is appropriate. She likes the project and the presentation. She felt it might be appropriate to forward the project to the City Council.

Commissioner Peterson stated that some of these types of units are difficult to sell if they have very restrictive occupancy limitations. She stated that she has to weigh staff's recommendation for this project. She stated that she is inclined to follow staff's recommendation. She would like to be able to fully review the project before sending it to City Council, rather than pass it along with concerns and changes.

Commissioner Snow stated that he believes that their responsibility is to provide architectural review, and he reiterated that this is a premier site that needs premier design. He did not feel that this project was appropriately designed for that area. He also expressed concern regarding Mr. Greenly's comments regarding drainage. He appreciated all of the effort that had gone into the project, but this is a project that the City will live with for a long time, and it warrants extra

care in reviewing the project design to make it more appealing. He is inclined to follow staff's recommendation.

Commissioner Peterson stated that they have to address this project on its own merits, exclusive of what projects may come forward at a later time. She stated that her opinion is based on the merits of this particular project.

Chair Marshall stated that he agreed with Commissioner Keith's comments, and he thinks that it is an attractive design. He does not agree with moving the tower. He asked Mr. Garcia how the project is accessed by pedestrians. Mr. Garcia stated that the tower element is accessed through the courtyard area, near the hotel lobby.

Director Hansen stated that there is a 3-4 foot vertical rise from the walkway to the entry of the project. He suggested that the corner could be opened up by having a series of steps of different levels to make it more inviting.

Chair Marshall stated that there are certain things he would like to see, including meandering sidewalks, more pedestrian access, soften the building appearance. He feels that these are issues that could be addressed by the City Council and feels like he can support forwarding it to them.

Commissioner Peterson reiterated that the Planning Commission is the architectural review board, so why would they advance it to the City Council to make architectural decisions.

Vice Chair Keith stated that they will be forwarding it to City Council either way.

Chair Marshall stated that he only has a few conditions to forward it to City Council, as he mentioned, and allow the applicant to work those issues out with staff. Other than that, he feels it is a nice project.

Commissioner Peterson asked if the applicant was willing to work with staff. Mr. Perkins stated that with acceptance of the proposal, they would take this to the Council with a couple of the design ideas proposed by the Commissioners and staff.

Vice Chair Keith asked how those recommendations would be handled, either via a denial without prejudice or approval with those added recommendations. He stated that if they take the direction of approving the resolutions with some modifications, it is an encouragement for the applicant to move forward with the project.

Commissioner Snow stated that his preference is for it to be brought back before the Planning Commission for further review before it goes to City Council, to allow the applicant to make changes to the design.

Commissioner Peterson stated that the north side needs improvement. Commissioner Snow stated that changing the sidewalk does not change the look of the project.

Chair Marshall stated that they need to provide specific direction. Commissioner Snow stated that he relies on staff to make recommendations.

Vice Chair Keith stated there has been a lot of progress on the project that has changed the design considerably. He had previously been concerned about the design, but he is not concerned after the changes that had been made. He stated that he feels that they have

successfully designed the tower element. He feels that he can support the project, because it is a good design even though there are some elements that could be changed. The tower is not one of his concerns, except with the idea of moving it to the corner, which he feels would be a mistake.

Commissioner Luce asked if they could recommend that the applicants work with staff to address some of the concerns, before presenting the project to City Council. She stated that she doesn't feel that it is something that would need to be presented again to the Commission.

Vice Chair Keith stated that the Commissioner's concerns were valid and important. He is proposing that they move for approval of the resolutions with several conditions, including working with staff to work out some of the issues, instead of denying the project.

Director Hansen stated that if they are going to make changes to the project, they need to ask the applicant if they are willing to take a 30 day extension in order for him to respond. Otherwise, they need to act on the project as it is presented. They have taken projects with Planning Commission directed changes to the City Council, and it created discomfort for the City Council. They want the Planning Commission to make those recommendations, and not rely on staff to address changes.

Chair Marshall stated that the Council does make changes to projects that the Planning Commission has recommended.

Director Hansen stated that there have been a number of suggestions for design changes for the project, and if the applicant is willing to continue the item, then the Planning Commission can make that final recommendation. The other option is to approve the project as it stands.

Mr. Perkins stated that they are very open to some of the suggestions, with the idea of moving to the Council for final action. They are not interested in a 30 day continuance or a denial of the project. He stated that he can present some alternative ideas to the Council based on the ideas and suggestions of the Planning Commission.

City Attorney Koczanowicz strongly suggested that the Planning Commission follow the recommendation of Director Hansen regarding their action. Since Mr. Perkins does not wish to have a continuance, so the Planning Commission should either act on the project as presented, or deny the project without prejudice. Then, the applicant can take other steps as necessary. The City Council had previously expressed concerns about a project that had changes made that the Planning Commission had not reviewed.

Vice Chair Keith asked if the minutes of the meeting would be forwarded along with the staff report to the City Council. City Attorney Koczanowicz stated that they would be attached, either in draft or final form.

Commissioner Snow stated that it is his feeling that the developer has decided that they don't want to make any additional changes. They decided to present the project even though staff recommended that there were still more changes needed.

Mr. Perkins stated that he has never had a project that recommended denial. He asked Director Hansen how they could move forward with staff's recommendation for approval but Director Hansen was adamant about the denial, and most of the issue was related to the tower.

Vice Chair Keith stated that if the City Council receives the minutes, they will see how much

thought the Planning Commission put into the project before making their decision. He stated that he would imagine that the applicant might prepare some renderings for the Council based on comments by the Planning Commission.

Vice Chair Keith stated that he wanted to craft a motion for approval, and hoped for a unanimous decision.

Commissioner Peterson stated that if the applicant presents new drawings to the City Council, they will still want to know if the Planning Commission had reviewed the new design, and they have not reviewed it.

Vice Chair Keith stated that they would have approved the concept of the architecture. He stated that they have discussed it in great detail. If the council receives all of the information, it will have a keen understanding of the process that had been gone through to recommend the project.

In response to a question from Chair Marshall, City Attorney Koczanowicz stated that the City Council reviews all portions of projects that have a component that requires their approval. However, in the past, it has heavily relied on the recommendation of the Planning Commission.

Chair Marshall stated that he is happy with the design of this project. Architecturally, it is one of the better projects that he has seen.

Director Hansen stated that if they are going to recommend approval to the City Council, there is an addition that needs to be made to Resolution 07-031 for the Specific Development Plan, adding PWCE 9, recommending that the design and striping to provide for a double left hand turn lane for the east bound traffic be provided to the satisfaction of the City Engineer.

Vice Chair Keith made the motion to adopt the resolutions prepared for the project with the amendment noted, recommending approval to City Council. Commissioner Luce seconded the motion, and it was carried with a vote of 3-2-0-0, with Commissioners Peterson and Snow voting no.

4) Hilton Coastal Development Resolution Modification Planner Ray Hetherington

This is a City Staff-initiated proposal to amend Planning Commission Resolution No. 07-014 to address the procedural requirements of the Coastal Commission. On February 26, 2007 the Planning Commission granted a Coastal Development Permit as a component of Development Permit Application No. 06-034, involving a proposed 134 room hotel facility located at 950 El Camino Real.

City Attorney Martin Koczanowicz presented the staff report. He stated that on February 26, 2007, the Planning Commission took final action on the Hilton Hotel project. In preparation for that presentation, staff had been in contact with the Coastal Commission with regard to issues related to whether or not portions of the project were appealable. Originally, the determination was that there was some area that was appealable with regard to the creek itself. Contact was made with the Coastal Commission, and the interpretation was that the creek was outside of the appealable zone, and therefore was not appealable. Staff moved forward with the project as it was presented, indicating that no portion of the project was in the appealable zone. Final action was taken, and notice was sent to the Coastal Commission of that action. When that notice was received, the Coastal Commission indicated that there are some portions of the project that are within 100' of the wetlands. They requested that staff redefine the scope of the project with regard to the resolution and correct it to state that portions of the project are appealable. There is a small portion of the edge

of the parking lot that is within 100 feet of the wetlands. The resolution before the Planning Commission corrects the original action. This will do two things; first, it will satisfy the requirements of the Coastal Commission with regard to the fact that portions of the project are appealable. Second, it will restart the clock for anyone who wishes to appeal this to the Coastal Commission.

Vice Chair Keith stated that he had looked at the letter submitted by Unite Here regarding this item, which outlines a number of concerns by a few different organizations. He asked if staff could address the letter.

City Attorney Koczanowicz stated that if directed, he would be respond to the letter, however, the entire project is not before the Planning Commission. Comments related to environmental concerns are not issues that are before the Planning Commission.

Vice Chair Keith stated that if they are focusing on this one item, then he does not need a response to the individual items in the letter. City Attorney Koczanowicz stated that this action was publicly noticed. He stated that there is a representative from Unite Here who may direct the comments that were received in writing to the Planning Commission, and they will become part of the record. He stated that this is not an opportunity to challenge the project. Any challenge would have to deal with the specific action taken at this meeting, which is simply amending the resolution to clarify that some small portion of the project was in the appealable zone, giving the right to anyone who wishes to and who is entitled to appeal it to the Coastal Commission within 10 days of the City's notification of this action to the Coastal Commission.

Commissioner Peterson stated that it seemed to her that from what she read, the City didn't seem to be in agreement if the project were within 100 feet of the wetlands.

City Attorney Koczanowicz stated that there may be some issue as to where the wetland area starts and ends, but staff is working with the Coastal Commission's interpretation at face value, which means that a small portion of the parking lot, 10-15 spaces, is within that area. He stated that the range of any appeal to the Coastal Commission would only include that portion of the project that is within the appealable area.

Chair Marshall opened the public hearing.

Andy Lee spoke on behalf of Unite Here, the Hotel Workers and Garment Workers Union. He was also representing the four other organizations that signed the letter that was distributed to the Planning Commission, including the SLO Chapter of the Sierra Club, SLO Chapter of the Surfrider Foundation, the Southern California Watershed Alliance, and the SLO Coastkeeper program. He read his letter into the record and stated that the Planning Commission should not approve the resolution before them unless the issues that were raised in the letter were addressed.

At this point, Chair Marshall asked for a motion to continue the meeting past 11:00 p.m. Vice Chair Keith made the motion that the meeting continue past 11:00 until the agenda is completed. Commissioner Peterson seconded the motion, and it was carried. Director Hansen clarified that due to the late hour, staff would recommend that Item 6 be continued.

Gary White, project applicant and property owner, read a portion of a letter by one of his partners, Michael Gallegos, outlining his dispute with the union, which has nothing to do with this project. The letter indicated that Unite Here did not have any legitimate basis for opposition to this project application, and that the union has no connection to the project, but is simply voicing opposition because it is attempting to apply pressure tactics to American Properties based on an unrelated dispute at its LAX hotel, which the company manages. They asked the Commission to take the

opposition for what it is, and reject the Union's position, as its opposition has nothing to do with the application.

Chair Marshall asked if the applicants had any problem with the resolution that was before the Planning Commission. Mr. White indicated that they did not.

City Attorney Koczanowicz, responding to Mr. Lee's letter, stated that the original project was advertised and evaluated as being appealable. The majority of the comments in the letter were inaccurate because originally the application was presented as being appealable and was evaluated environmentally as an appealable project. He stated that none of the entities who signed the Unite Here letter were present when the project was being considered.

Chair Marshall closed the public hearing.

Commissioner Snow asked if in fact the section of the parking lot becomes appealable, does that mean that if it is appealed to the Coastal Commission, the appeal is for the whole project or just that portion of the parking lot that is appealable. City Attorney Koczanowicz stated that any appeal to the Coastal Commission would only include that portion of the parking lot.

Commissioner Peterson made the motion to adopt staff's recommendation. Commissioner Luce seconded the motion, and it was carried with a vote of 5-0.

5) Development Permit Application No. 07-014

Applicant – Heather Wethington, Representative

This Development Permit Application involves a request for approval of a Use Permit to allow for establishment of a church. The subject property is located at 151 North 7th Street (APN 060-221-018) and is zoned Visitor Services (C-V). The project planner is Janet Reese.

Planner Janet Reese presented the staff report. Based on the maximum occupancy of 49, there is sufficient parking on-site to accommodate the proposed use. They will share the parking lot with the existing tenants. However, the proposed hours of operation are not in conflict with those of the other tenants. The proposed use has been reviewed by the Fire, Police and Building Departments and their comments are included as conditions of approval. Staff recommends rewording and combining Building Conditions 1 and 2 as follows: Provide and obtain approval of an ADA plan, including restroom facilities approved by the Building Official. Any necessary permits shall be obtained for any required renovations and all work shall be completed to the satisfaction of the Building Official prior to occupancy.

Heather Wethington, applicant, indicated that they do not intend to have Sunday services. They meet on Saturday evenings instead and also on Thursday evenings. They would like to be able to occupy the building during other times, as necessary. She stated that they would also like to be available to the community as a resource as well.

Chair Marshall asked if the applicant was ok with the revised condition. Ms. Wethington stated that Planner Reese had discussed that condition and she agrees with the condition.

Chair Marshall asked if they change their hours, would they work with staff regarding the parking issues. Planner Reese stated that there are currently 21 spaces, and at the maximum occupancy, their parking requirement is 13 spaces, so they would meet the parking requirement even if the hours are extended.

Director Hansen stated that he had met with the existing tenants, and they didn't express any

concerns about parking because of the times that the site would be used.

Chair Marshall closed the public hearing. Commissioner Snow made the motion to follow staff's recommendations, with the amendment to Building Conditions 1 and 2 as noted, with a vote of 5-0.

6) Density Bonus Ordinance

Applicant – City of Grover Beach Staff

Planning Commission consideration of a proposed Ordinance Amendment adding Part 49 "Housing Density Bonuses and Concessions/Incentives" Section to the Municipal Code implementing State Density Bonus law and the City proposed Density Bonus and Concessions/Incentives Section designed to address proposed housing projects that do not meet the State threshold of five residential units but propose one or more affordable units.

This item was continued to the June 12, 2007, meeting due to the late hour

ADJOURNMENT: 11:20

/s/

CHAIR PETERSON

/s/

SECRETARY TO THE PLANNING COMMISSION
GEORGE HANSEN, COMMUNITY DEVELOPMENT DIRECTOR

(Approved at PC Meeting: August 14, 2007)