

CITY OF SANTA CRUZ
809 Center Street
Santa Cruz, California 95060

MINUTES OF THE PLANNING COMMISSION MEETING

March 5, 2009

7:00 P.M. SESSION

Chair Quartararo called the meeting to order at 7:00 p.m. in the Council Chambers.-

Roll Call

Present: Chair Rod Quartararo, Vice-Chair Scott Daly, David Foster, Larry Kasparowitz, Bill Schultz, Mari Tustin, Judy Warner

Absent: None

Staff: Director of Planning and Community Development J. Rebagliati, Principal Planner E. Marlatt, Senior Planner D. Lauritson, Recording Secretary N. Ellis

Others: Jesse Nichol and Jeff Currant of Barry Swenson Builders and approximately 30 members of the public

Oral Communications - None

Announcements - None

Approval of Minutes – February 5, 2009

Action Commissioner Warner moved, and seconded by Commissioner Kasparowitz, approval of the minutes of February 5, 2009. The motion passed on a vote of 6/0/1; Commissioner(s) Quartararo, Daly, Foster, Kasparowitz, Tustin, and Warner voting YES, and B. Schultz abstained.

Public Hearing

- 1. 906 Laurent St. 07-210 APN 006-341-14**
Appeal of the Zoning Administrator's approval of a Residential Demolition Authorization Permit, Design Permit and Slope Modification Permit to demolish an existing dwelling and construct a 2 ½ story, 5,430 square foot dwelling within 12 feet of a 30 percent slope in the R-1-5 zone district. (Environmental Determination: Categorical Exemption) (S. Baker, owner/filed: 12/20/07) **NOTE: Since the appeal was filed, the applicant has withdrawn this proposal.**

Public Hearing (continued)

RECOMMENDATION: That the Planning Commission acknowledge the appeal and accept the applicant's withdrawal of the approved Residential Demolition Authorization, Design and Slope Modification Permits.

Principal Planner Marlatt stated that the Planning Commission may accept the withdrawal from the applicant.

In response to a question raised by Commissioner Warner, Planning Director Rebagliati stated that this was a technical and procedural issue to comply with the City's zoning code.

Action The Planning Commission Acknowledged the Appeal and accepted the withdrawal by the applicant of the approved Residential Demolition Authorization, Design and Slope Modification Permits.

Public Hearings –

2. 215 Beach St. 06-004 APN 005-213-02, 03

Environmental Impact Report, General Plan/Local Coastal Plan/Program Amendment, Zoning Ordinance Amendment, Planned Development Permit, Coastal Permit, Design Permit, Special Use Permit, Residential Demolition Authorization Permit, Development Agreement and Tentative Subdivision Map for "La Bahia" Hotel Project – Demolition of an existing 44-unit apartment complex building listed on the City Historic Building Survey and construction of a 125-room hotel with a restaurant, meeting space, and a partially underground garage in the RTC/HO/CZ/SPO zoning district. (Environmental Determination: EIR) (Barry Swenson Builders, owner/filed: 1/6/06) DL

RECOMMENDATION: That the Planning Commission recommend to the City Council:

- Resolutions certifying Final EIR, and adopting Findings of Fact and Statement of Overriding Considerations; and
- Approval of the General Plan/Local Coastal Plan and zoning amendments; and
- Approval of the Planned Development, Coastal, Design, Special Use, and Residential Demolition Authorization Permits, Development Agreement and Tentative Subdivision Map for Revised Alternative 3A, based on the findings and conditions of approval included in the attached draft resolution and ordinances.

Senior Planner D. Lauritson stated that the intent of the meeting is to hold a public hearing on the project and discuss several planning related aspects and then make recommendations to the City Council on the EIR Certification and Findings of Fact and Statement of Overriding Considerations, the General Plan/Local Coastal Plan and zoning amendments and the project permits related to the project.

Jesse Nichol of Barry Swenson Builders gave a brief power point presentation on the project along with Jeff Currant, Vice President of Architecture.

Public Hearing (continued)

RECESS:

The Commission took a brief 5-minute break and readjusted at 8:30 p.m.

The public hearing was opened.

SPEAKING FROM THE FLOOR:

Steve Renrose
Jack Swertfager
Ed Davidson
Maggie Ivy
Ross Gibson
Glen Shaller
Mark Weller
Ron Chesshire
Peter Pethoe
Ed Silveira
Will Robin
Darrell Darling

No one else wished to speak and the public hearing was closed.

SPEAKING IN REBUTTAL:

Jesse Nichol stated that they had a series of meetings with the unions and they have tried to meet most of their demands and further stated that they will not discriminate against the unions. He stated that they will need the unions strength and their build ability in working with the unions on this project. He further stated that they will have unions on this job.

Commissioner Daly stated that he felt some sensitivity about the worker union issue and is not sure why it is seemingly divisive. He stated that over the nine-year period this developer has listened to the public and has addressed many of their concerns. He stated his biggest concern was with the height and the towers and that has been addressed with this project. He appreciated the spirit of the Historic Preservation Commission as it is their charge to try and preserve that building but in that spirit and in that focus they are creating some onerous objectives that may kill that project and is a strategy to do very little to nothing. He stated that this City is in need of revitalization in the beach area and this project serves as a huge step forward to improve tourism in our community. He stated this project would replace an old eyesore and he would be proud to tell a friend to come and visit Santa Cruz and to stay at the beach. This is something that doesn't exist today. It is a great step forward for the beach area and tourism in the community and he supported the project.

Public Hearing (continued)

Commissioner Warner stated the benefits of this project outweigh the significant effect of demolishing a historic building. These benefits are spelled out in the statement of overriding considerations. Any one of the benefits is sufficient for the City Council to approve the project such as economic resources for the City and its citizens, a new up-to-date hotel and conference center that will be able to compete in local and regional tourism markets, which in turn will help local businesses. Another benefit is jobs for local workers and this will provide jobs. The project also advances some of the General Plan's Economic Development, Community Design and Land Use policies and is very important to Santa Cruz. Barry Swenson Builders has revised and refined the project to address concerns to accommodate many ideas for members of the community. Barry Swenson Builders has been diligent in listening and responding for a very long time. They now have a design for a hotel that has 125 rooms but one that has a reduced building height and will allow people on the wharf and on West Cliff to see the ridgeline above the hotel. There is also a bigger conference room with lots of offsite parking especially important for conferences and special events, another significant change. The southwest corner of the building has been redesigned to match the existing structure and bell tower and was of special concern to Commissioner Kasparowitz. Some of our friends and neighbors will be sad to see the old "La Bahia" go but others will welcome the new hotel and the opportunities it offers to revitalize our City's beach.

Commissioner Schultz commented that Santa Cruz needs a nice hotel, the beach needs a nice hotel and Santa Cruz doesn't have a nice hotel. He stated there are a lot of cheesy hotels, a lot of low rent, low class, kind of strip mall type motels and the City doesn't have a nice hotel in the best beach in northern California. He can't do anything but support this project. He noted that in fact it is beholden to the Commission to make this into a better project and an even more higher quality project, to the extent they are able to do that. He supported the project and the issue of labor is not a big enough issue to disagree and not to support the project. He urged the owners and developers to make a reasonable accommodation with labor during the construction of this project and urged labor not to give up the fight. He stated the overriding consideration is that the City needs the hotel.

Commissioner Tustin stated that while preservation is needed in this case the City needs it in idea and concept but not in actual fact. She stated that this building doesn't warrant preserving as it stands now, but some of the details and the ideas should be absolutely mandated into the final plans. She stated the unions are valuable and if they had public money they could request prevailing wage but there is no public money and is probably the only way this building will get built as the City needs this building so badly. She also hoped the unions and the developer will find a way to do the right thing. She supported this project.

Public Hearing (continued)

Commissioner Kasparowitz stated that since the project was previously before the Planning Commission and the Historic Preservation Commission it has changed. He recommended that the subcommittee focus on design details as well as the historic review and suggested including the recommendations forwarded by the Historic Preservation Commission as part of the Conditions of Approval for the project

In response to several questions from the Commissioners regarding Mr. Davidson's comments on the issues of water, Principal Planner Marlatt stated that staff disagreed with Mr. Davidson's comments and page 5-26 of the draft EIR includes Table 5-4 which speaks to the cumulative water demand estimates and clearly includes the areas outside of the City limits. Pertaining to the projects Mr. Davidson mentioned, Principal Planner Marlatt stated those projects are included on page 5-5 of the draft EIR Table 5-1. The projects such as the Marriot Hotel and the Delaware project are clearly included in the cumulative impact analysis. Principal Planner Marlatt stated that the cumulative projects represents those projects that are pending, approved but not constructed, and some that are currently under construction. Principal Planner Marlatt stated that the 2 percent total cumulative demand is a worst-case analysis and the EIR notes that when this project hooks up to the water system, the fee for the system development will go into water conservation programs which would in turn decrease water demand, and, with the use of low-water use plants, high-efficiency water fixtures, that 2 percent could come down as well.

In response to Commissioner Foster's question on the low-cost visitor-serving accommodations and if this was a requirement by the Coastal Commission or a requirement of the City, Planning Director Rebagliati noted that the Coastal Act does have reference to low-cost visitor serving accommodations, and the City Council has recently taken action to affirm that the Council continues to support low-cost visitor-serving accommodations and will be included and considered in the General Plan update. She stated the certified Beach and South of Laurel Area Plan calls for upgrades to the current hotel stock in the Beach Area and provision of a variety of hotel room products. As there are already a significant majority of older, lower cost hotels, the City is not required to provide more by our adopted Coastal Plan.

Commissioner Foster stated his concerns with the union and the developer and asked what card check neutrality means. He commented that the subject of unionization is not a strong and clear enough issue to say no to a project that is so badly needed in the community for several different reasons. Senior Planner Lauritson noted that on page 2-122 in the Development Agreement, the applicant has agreed to wage and benefit programs for operation of the hotel as opposed to construction.

Mark Weller of Unite Here Local 483 and Build a Better La Bahia Coalition, was recognized by the chair, and noted that card check neutrality is a term that deals with the Employee Free Choice Act and the card check part is called a "majority sign-up" which means the workers would have the option in choosing a union to sign cards saying they want to be in the union. The neutrality part is a trade and has been done in many parts of

Public Hearing (continued)

the country where the union agrees that they will not strike or economically interfere with the hotel, giving up that constitutional right in return for the management or owner of the hotel to not interfere in any way taking a side for or against unionization with their employees.

Commissioner Foster stated his concern was with the finish quality and details. He stated the importance of as much involvement as the Commission can have with the City as construction goes forward is all the Commission can do to push for the highest quality in the finish product.

Chair Quartararo stated that with alternative 3A there has been enough movement to incorporate more of the features into this building. He appreciated the changes that have been made in alternative 3A. As he walked the project on Monday he even has a better appreciation for the project. He noted the reality is that the City is held a little bit captive by the economic circumstances that have occurred within the City. He stated that this project will provide work now for those who are looking for work and once the project is built it will also provide a number of jobs that the City just doesn't have currently. It will provide jobs for those who will be servers, bus persons, banquet house people, bell people, valets, janitorial services, room inspectors, maintenance, front desk reservations, cooks and dishwashers. He questioned claims that the current owner has let the property decline, as he recalls since the 1960's that La Bahia was in poor condition then.

Chair Quartararo called for a motion on the recommendations as stated in the following bullets as follows:

- **Resolutions certifying Final EIR, and adopting Findings of Fact and Statement of Overriding Considerations; and**

Action Commissioner Warner moved, and Commissioner Kasparowitz seconded, to recommend to the City Council **CERTIFICATION of the Final EIR and ADOPTION of the Resolution of the Findings of Fact and Statement of Overriding Considerations. The motion passed on a unanimous vote of 7-0 with Commissioner(s) Quartararo, Daly, Foster, Kasparowitz, Schultz, Tustin and Warner voting in favor.**

- **Approval of the General Plan/Local Coastal Plan and zoning amendments; and**

Action Commissioner Foster moved, and Commissioner Warner seconded, to recommend to the City Council **APPROVAL of the General Plan, Local Coastal Plan and zoning amendments. The motion passed on a unanimous vote of 7-0 with Commissioner(s) Quartararo, Daly, Foster, Kasparowitz, Schultz, Tustin and Warner voting in favor.**

- **Approval of the Planned Development, Coastal, Design, Special Use, and Residential Demolition Authorization Permits, Development Agreement and Tentative Subdivision Map for Revised Alternative 3A, based on the findings and conditions of approval included in the attached Draft resolution and ordinances.**

Public Hearing (continued)

Action Commissioner Warner moved, and Commissioner Tustin seconded, to recommend to the City Council APPROVAL of the Planned Development, Coastal, Design, Special Use, and Residential Demolition Authorization Permits, Development Agreement and Tentative Subdivision Map for Revised Alternative 3A, based on the Findings and Conditions of Approval in the Draft Resolution and Ordinances, with a modification to Condition 64 to insert text after the words . . . “City’s architectural consultant,” with the inserted text “. . . and a subcommittee selected from the two commissions for further review . . .”; Strike the last sentence as follows: ~~The City Council may refer the final design to the Historic Preservation Commission, Planning Commission, or a Subcommittee selected from the two Commissions for further review. . .~~; Insert the sentence: “The subcommittee shall review the final design, with specific attention to items 1 through 8 of the Historic Preservation Commission’s recommendations on the project as follows:

1. Reconstruction in-kind of the bell tower wing on Beach Street;
2. Reconstruction in-kind of the first floor of the Court of the Troubadours from Westbrook Avenue into the Court of the Laurels;
3. Reconstruction in-kind of the first floor of the Westbrook wing allowing for a two-story addition above;
4. Reconstruction of the character-defining features of the Court of the Laurels to include octagonal stairs, maintaining the immediate line of parapets, walls, and a significant portion of the natural day lighting;
5. Faithful reconstruction of as many components of the existing buildings as possible.
6. Preservation or reconstruction in-kind of the majority of the Beach Street Façade, excluding the flat roof section;
7. Suggest that the HPC La Bahia Subcommittee and members of the Planning Commission and City Council work with the developers through design development;
8. If delisting is to occur, it should only occur after a Certificate of Occupancy is obtained for the replacement structure after it is finalized.”

The motion passed on a unanimous vote of 7-0, with Commissioner(s) Quartararo, Daly, Foster, Kasparowitz, Schultz, Tustin and Warner voting in favor.

General Business — None

Informational Items — None

Subcommittee/Advisory Body Oral Reports — None

PLANNING COMMISSION MEETING

MARCH 5, 2009

7:00 P.M. SESSION

Public Hearing (continued)

- Chairperson's Report (R. Quartararo) - None
- Planning Department Report – Planning Director Rebagliati commented on a letter from the Police Chief regarding 1209 Pacific Avenue and the issues that have come to the forefront on this project. She stated that this project will be reviewed again in 6 months by the Planning Commission and the Police Department offered to host ride-alongs with officers, if they wish. The Planning Director advised that the Planning Commission meeting of March 19, 2009 will be cancelled as there is no public business. .

Items Referred to Future Agendas — None

Adjournment —

At 10:00 p.m. the Planning Commission adjourned to the next regularly scheduled meeting of the Planning Commission meeting of March 19, 2009 in the City Council Chambers.

APPROVED: _____
Rod Quartararo, Chair

ATTEST: _____
Juliana Rebagliati, Director