



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of the City Council
FROM: Anastazia Aziz, AICP, Sr. Planner
MEETING DATE: February 3, 2016
SUBJECT: Status of the City's MPWMD Water Allocation and allocation of water from the Commercial Reserve

CEQA STATUS

- 1) Receipt of Report - Not a Project per Guideline Section 15378
- 2) Allocation of water to 1100 Lighthouse Ave.- Mitigated Negative Declaration
- 3) Allocation of water to 223 Grand Ave. - Class 3 Exemption - Section 15303

RECOMMENDATION

1. Receive report on the City water reserves and retain 0.526AF for the water wait list, and
2. Allocate 0.30 AF from the Commercial Category to 3 Seabreeze Inn motel units at 1100 Lighthouse Ave., and
3. Allocate 0.020 AF from the Commercial Category for restaurant use at 223 Grand Ave.

BACKGROUND

Pacific Grove Municipal Code (PGMC) Chapter 11.68 governs the City's water allocation regulations, and establishes four allocation categories, based on use, for: Residential, Commercial, Governmental, and City-administered community reserve. The City Council last received a status report on the City's water allocation on October 21, 2015. The City maintains a [Water Wait List](#) webpage.

Water Management District Monthly Allocation Report

Each month, the MPWMD releases a Monthly Allocation Report included in the MPWMD Regular meeting agenda packet. The October 2015 (MPWMD) monthly water allocation report, the most recent available, states that Pacific Grove has a total of 0.540 AF of water available for allocation.

DISCUSSION

A total of 0.320AF remain in the City's commercial water category. As previously directed, water allocations in the Commercial category have been granted in accordance with priorities for distribution of water to commercial projects:

1. Motel projects within the R-3-M zone.
2. Projects within the Downtown Commercial area.
3. Projects that generate sales tax revenue.
4. Diversification of business activities/types.
5. Expansion of existing uses.
6. Correction of existing problems.

There are two commercial projects requesting a total of 0.846 AF. Applicant Susan Hall of Eric Miller Architects applied for 0.546 AF for a restaurant use located at 223 Grand Ave. on December 19, 2014. Applicant Greg Zimmerman requested a total of 0.3 AF for 3 additional motel rooms located at 1100 Lighthouse Ave in the R-3-M zoning district on January 22, 2016.

Based on commercial prioritization listed above, staff recommends allocation of 0.3 AF to the motel project in the R-3-M zone located at 1100 Lighthouse Ave, and 0.02 AF to the proposed restaurant use located at 223 Grand Ave. According to the project applicant, 223 Grand Ave. currently has sufficient water credits for a 22 seat restaurant. The owner is seeking to secure a 50 seat brew pub style restaurant tenant which would require 0.546 AF of additional water. If the entire 0.320 AF is allocated to the proposed restaurant use, approximately 36 seats could be accommodated.

Community Reserve

The proposed Beach House Deli, located at 620 Ocean View Blvd, was allocated 0.106 AF of water from the City's Community Reserve at the February 18, 2015 Council meeting, and the water is pending distribution contingent on the issuance of a final building permit. The remaining amount of water in the Community Reserve Category is approximately 0.114 acre-feet.

OPTIONS

1. Distribute 0.0 AF to the motel project located at 1100 Lighthouse Ave and the entire 0.320 AF to the proposed downtown restaurant project located at 223 Grand Ave.
2. Maintain the entire 0.320AF in the Commercial Category.
3. Distribute water in different amounts to the Commercial, Governmental, Residential and Community Reserve Categories.

FISCAL IMPACT

None.

CEQA

Receipt of the allocation report is an administrative action and not a project under CEQA per Guideline Section 15378.

An Initial Study and Mitigated Negative Declaration were prepared in support of the allocation of water for use at 1100 Lighthouse Ave. The Initial Study found a less than significant impact for potable water use.

A Class 3 Exemption applies to support the allocation of water for use at 223 Grand Ave under CEQA Guideline Section 15303.c. The subject site is located in an urbanized area zoned for commercial use and the project is less than 10,000 square feet in size.

Appropriate Notices of Determination and Exemption shall be filed following Council action on these matters.

ATTACHMENT

1. October 2015MPWMD Monthly Allocation Report

2. Water Wait List
3. Mitigated Negative Declaration 1100 Lighthouse Ave.
4. Exemption 223 Grand Ave.

RESPECTFULLY SUBMITTED:

REVIEWED BY:



Ben Harvey

Anastazia Aziz, ACIP
Senior Planner

Ben Harvey
City Manager

EXHIBIT 27-A

**MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of October 2015**

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.410	0.000	1.397	1.081	0.000	1.081	0.910	0.000	0.182	2.660
Del Rey Oaks	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.320	0.000	0.203	50.659	0.000	0.030	38.121	0.000	3.661	3.894
Monterey County	87.710	0.000	10.284	13.080	0.000	0.000	7.827	0.000	1.891	12.175
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.312	15.874	0.000	0.228	0.540
Sand City	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.450	0.000	8.749	34.438	0.000	34.438	2.693	0.000	1.144	44.331
TOTALS	342.720	0.000	25.830	101.946	0.000	35.861	90.142	0.000	30.479	92.170

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.237	0.763
Water West	12.760	0.043	8.395	4.365

* Does not include 15.280 Acre-Feet from the District Reserve prior to adoption of Ordinance No. 73.

Water Requested & Available as of 01/04/16

	Date	Applicant (Owner)	Address	FU Req.	FU Alloc.	AF Req.	AF Alloc.	Running	Source	Notes	Water Permit
Residential - WWL I								0.000			
1	02/25/09	Moore (Cornell)	1601 Sunset (APN 007-014-015)	1.00	0.00	0.010	0.000	-0.010			
2	03/10/09	Larson	1040 Benito (APN 007-592-046)	27.60	0.00	0.276	0.000	-0.286		vacant lot	
3	03/11/09	Wasley	427 Evergreen (APN 006-421-034)	2.00	0.00	0.020	0.000	-0.306			
4	05/12/09	Chandler (Scholink)	505 Chestnut (APN 006-446-013)	27.60	0.00	0.276	0.000	-0.582		vacant lot	
5	05/26/09	Bailey (Perkins)	945 Cedar (APN 006-641-084)	27.15	0.00	0.272	0.000	-0.854		vacant lot	
6	06/23/09	Higbie	874 Gibson (APN 006-562-010)	1.00	0.00	0.010	0.000	-0.864			
7	09/04/09	O'Halloran	1107 Pico (APN 006-421-016)	6.80	0.00	0.068	0.000	-0.932			
8	10/19/09	Watts	1125 Piedmont (APN 007-585-003)	2.00	0.00	0.020	0.000	-0.952			
9	03/05/10	Jovellana	1007 Hillside (APN 007-592-025)	20.10	0.00	0.201	0.000	-1.153		vacant lot	
10	03/12/14	McCord (Posey Estate)	373 Junipero Ave (APN 006-533-014)	5.30	0.00	0.053	0.000	-1.206			
11	07/03/14	Tomlinson	1255 Shell Ave. (APN 006-015-005)	7.40	0.00	0.074	0.000	-1.280			
Subtotal:				115.25	0.00	1.280	0.000	-1.280			
Commerical								0.320			
1	12/19/14	Dermicek (Eric Miller)				0.546		0.546			
2	01/04/16	Case (Zimmerman/Foux)	1100 Lighthouse (Sea Breeze Inn)			0.3		0.30			
Subtotal:				0.00	0.00	0.846	0.00	-0.526	AF Available		
Governmental								0.000			
Subtotal:				0.00	0.00	0.000	0.000	0.000	AF Available		
Community Reserve								0.220			
	9/3/2014	Kevin Phillips/City	620 OVB			0.106		0.106	public		
Subtotal:				0.00	0.00	0.106	0.000	0.114	AF Available		
Subtotal:				115.25	0.00	1.3855	0.000	-1.692			
Previously Distributed											
1	4/29/2011	Branum	1199 Forest (Aqua Spa)	5.00	5.00	0.050	0.050		Pre-Peralta	Commercial	31148
2	9/23/2011	Favaloro	543 Lighthouse (Café Ariana)	13.65	13.65	0.137	0.137		Public	Commercial	31426
3	2/19/2013	City of Pacific Grove	80 Asilomar (Pt Pinos Lighthouse)	12.80	12.80	0.128	0.128		Public	Governmental	32265
4	3/20/2013	City of Pacific Grove	620 Lighthouse (Childrens Pool)	2.44	2.44	0.024	0.024		Public	Governmental	26601
5	3/29/2013	Favaloro	545 Lighthouse (Big Night Bistro)	44.00	44.00	0.440	0.440		Pre-Peralta	Commercial	32407
6	8/14/2013	Davi Jr.	529 Central (Dory Ford/Catering)	21.45	21.45	0.2145	0.215		Pre-Peralta	Commercial	32702
7	5/7/2013	Case (Zimmerman/Foux)	1100 Lighthouse (Sea Breeze Inn)	50.00	50.00	0.500	0.500		Pre-Peralta	Commercial	32424
8	10/7/2014	Case (Zimmerman/Foux)	1101 Lighthouse (Sea Breeze Lodge)			0.500	0.456		Pre-Peralta	Commercial	33463
TOTAL:				149.34	149.34	1.993	1.950				

1. **Project title:** Sea Breeze Inn and Cottages Expansion Project
2. **Lead agency name and address:** City of Pacific Grove
300 Forest Avenue, 2nd Floor
Pacific Grove, CA 94806
3. **Contact person and phone number:** Mark Brodeur, Director
Community & Economic Development Department
(831) 648-3189
4. **Project location:** The project site is located at 1100 and 1101 Lighthouse Avenue, at the intersection of Lighthouse Avenue, Monarch Lane, Jewell Avenue, and Grove Acre Avenue. The project site is separated by Lighthouse Avenue, with 1100 Lighthouse bordered by Monarch Lane and Lighthouse Avenue and 1101 Lighthouse bordered by Grove Acre Avenue and Jewel Avenue.
5. **Project sponsor's name and address:** Greg Zimmerman & Anthony Foxx
Sea Breeze Inn
Pacific Grove, CA 93950
6. **General Plan designation:** Visitor Commercial/Medium Density Residential
7. **Zoning:** R-3-M (Multiple Family Residential/Motel District)
8. **Project Description:** The project would add a total of four motel units: three at 1100 Lighthouse Avenue and one at 1101 Lighthouse Avenue. The project would add the new units through the addition of a two-story building at 1100 Lighthouse Avenue and an addition on an existing building at 1101 Lighthouse Avenue. The project would also remove the pool and vegetation at 1101 Lighthouse Avenue. The project would maintain the site's existing circulation system and replace impermeable asphalt with permeable. The project would require a small amount of vegetation removal and trimming.
9. **Surrounding land uses and setting:** The project site is currently developed and used as the Sea Breeze Inn and Cottages. The 1100 Lighthouse Avenue site is surrounded by residential uses to the east, motel uses to the north and west, and residential and commercial uses to the south. The 1101 Lighthouse Avenue site is surrounded by residential uses to the southeast and northeast, motel uses to the north and west, and residential and commercial uses to the south and southwest.

10. Environmental factors potentially affected:

The environmental factors checked below would be potentially affected by this project, involving at least one impact that is a “potentially significant impact” as indicated by the checklist on the following pages.

- | | | |
|---|---|---|
| <input type="checkbox"/> Aesthetics | <input type="checkbox"/> Agriculture and Forestry Resources | <input type="checkbox"/> Air Quality |
| <input type="checkbox"/> Biological Resources | <input type="checkbox"/> Cultural Resources | <input type="checkbox"/> Geology and Soils |
| <input type="checkbox"/> Greenhouse Gases | <input type="checkbox"/> Hazards and Hazardous Materials | <input type="checkbox"/> Hydrology and Water Quality |
| <input type="checkbox"/> Land Use and Planning | <input type="checkbox"/> Mineral Resources | <input type="checkbox"/> Noise |
| <input type="checkbox"/> Population and Housing | <input type="checkbox"/> Public Services | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Transportation/Traffic | <input type="checkbox"/> Utilities and Service Systems | <input type="checkbox"/> Mandatory Findings of Significance |

12. Determination: (To be completed by the lead agency)

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment, there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.

Signature

Date

Mark Brodeur

Printed Name

City of Pacific Grove

Lead Agency

Director
Title

INTRODUCTION

This document is the Mitigation Monitoring and Reporting Program (MMRP) for the Sea Breeze Inn and Cottages Expansion project. This MMRP has been prepared pursuant to Section 21081.6 of the California Public Resources Code, which requires public agencies to “adopt a reporting and monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment.” An MMRP is required for the proposed project because the Initial Study/Mitigated Negative Declaration (IS/MND) has identified significant adverse impacts, and measures have been identified to mitigate those impacts.

The numbering of the individual mitigation measures follows the numbering sequence as found in the IS/MND. All revisions to mitigation measures that were necessary as a result of responding to public comments and incorporating staff-initiated revisions have been incorporated into this MMRP.

MITIGATION MONITORING AND REPORTING PROGRAM

The MMRP, as outlined in the following table, describes mitigation timing, monitoring responsibilities, and compliance verification responsibility for all mitigation measures identified in the IS/MND.

The project applicant will be responsible for implementing the measures, and the City of Pacific Grove's role is exclusively to monitor implementation. The project applicant may choose to require the construction contractor to implement specific mitigation measures prior to and/or during construction. The City of Pacific Grove will continue to monitor mitigation measures that are required to be implemented during project operation.

The components of the MMRP are described briefly below.

- **Mitigation Measure:** The mitigation measures are taken verbatim from the IS/MND, in the same order that they appear in the IS/MND.
- **Implementation Responsibility:** Identifies which entity is responsible for implementing the mitigation measure.
- **Mitigation Timing:** Identifies at which stage of the project mitigation must be completed.
- **Monitoring Responsibility:** Identifies the City department responsible for monitoring compliance with the mitigation measure.
- **Verification:** Identifies when the City verified compliance with the mitigation measure.

MITIGATION MONITORING AND REPORTING PROGRAM TABLE

MM #	Mitigation Measure	Implementation Responsibility	Timing	Monitoring Responsibility	Verification (Date and Initials)
MM BIO-1	<p>Prior to the removal of any trees or structures, a qualified biologist shall perform a bat survey between March 1 and July 31. If the survey does not identify the presence of occupied roosts, no additional mitigation measures are required.</p> <p>If non-breeding roosts occupied by special-status bat species are documented within disturbance areas, the bats shall be safely flushed from the sites where roosting habitat is planned to be removed prior to May and prior to the onset of disturbance activities. The removal of the roosting sites shall occur during the time of day when the roost is unoccupied.</p> <p>If a maternity colony is detected, a 100-foot no-activity setback shall be established around the roost site and remain in place until it has been determined by a qualified biologist that the nursery is no longer active. Removal of maternity roosts shall be restricted to between March 1 and April 15 or between August 15 and October 15 to avoid interfering with an active nursery.</p>	Project Applicant	Pre-construction - No more than 3 days prior to construction	City of Pacific Grove Project Manager	
MM BIO-2	<p>If clearing and/or construction activities occur during the raptor or migratory bird nesting season (February 15–August 15), a qualified biologist shall conduct preconstruction surveys for nesting birds, up to 14 days before the start of construction activities. The qualified biologist shall survey the construction zone and a 500-foot buffer surrounding the construction zone to determine whether the activities taking place have the potential to disturb or otherwise harm nesting birds. Surveys shall be repeated if construction is suspended</p>	Project Applicant	Preconstruction surveys for work done between February 15 and August 15 Up to 14 days prior to construction	City of Pacific Grove Project Manager	

MM #	Mitigation Measure	Implementation Responsibility	Timing	Monitoring Responsibility	Verification (Date and Initials)
	<p>or delayed for more than 15 days during nesting season.</p> <p>If active nest(s) are identified during the preconstruction survey, a qualified biologist shall establish a 100-foot no-activity setback for migratory bird nests and a 250-foot setback for raptor nests. No ground disturbance should occur within the no-activity setback until the nest is deemed inactive by the qualified biologist.</p>				
MM CUL-1	<p>During project construction, if any archeological or paleontological resources (i.e., fossils) are found, the project applicant and/or its contractor shall cease all work within 25 feet of the discovery and immediately notify the City of Pacific Grove Planning Division. The project applicant and/or its contractor shall retain a qualified archeologist or paleontologist to evaluate the finds and recommend appropriate mitigation measures for the inadvertently discovered archeological or paleontological resources. The City and the applicant shall consider the mitigation recommendations and agree on implementation of the measure(s) that are feasible and appropriate. Such measures may include avoidance, preservation in place, excavation, documentation, curation, or other appropriate measures.</p>	Project Applicant	During construction activities	City of Pacific Grove Project Manager	
MM CUL-2	<p>During project construction, if human remains are discovered, the project applicant and/or its contractor shall cease all work within 25 feet of the find and notify the City of Pacific Grove Planning Division and the county coroner, according to California Health and Safety Code Section 7050.5. If the remains are determined to be Native American, the coroner shall notify the Native American Heritage Commission within</p>	Project Applicant	During Construction	City of Pacific Grove Project Manager	

MITIGATION MONITORING AND REPORTING PROGRAM

MM #	Mitigation Measure	Implementation Responsibility	Timing	Monitoring Responsibility	Verification (Date and Initials)
	24 hours.				



CITY OF PACIFIC GROVE

Community Development Department – Planning Division

300 Forest Avenue, Pacific Grove, CA 93950
T :: 831.648.3190 • F :: 831.648.3184 • www.ci.pg.ca.us/cdd

NOTICE OF EXEMPTION FROM CEQA

Property Address/Location: 223 Grand Ave., Pacific Grove, CA 93950

Project Application: Water Wait List Application #21

Description: Allocate 0.020 AF of water for downtown commercial use.

APN: 006-283-011-000

ZC: C-D GP: Commercial Lot Size: 2,340 square feet (0.5 gross acres.)

Applicant Name: Susan Hall, Eric Miller Architects_____	Phone #: _(831) 372-0410
Mailing Address: _211 Hoffman Ave., Monterey, CA 93940_____	
Email Address: _susan@ericmillerarchitects.com_____	

<p align="center">Public Agency Approving Project: City of Pacific Grove, Monterey County, California</p> <p>Exempt Status (Check One) :</p> <p><input type="checkbox"/> Ministerial (Sec. 21080(b)(1):15268))</p> <p><input type="checkbox"/> Declared Emergency (Sec. 21080(b)(3): 15269(a))</p> <p><input type="checkbox"/> Emergency Project (Sec. 21080(b)(4); 15269(b)(c))</p> <p><input checked="" type="checkbox"/> Categorical Exemption</p> <p style="padding-left: 40px;">Type and Section Number: __Class 3 S. 15303.C_____</p> <p><input type="checkbox"/> Statutory Exemptions</p> <p style="padding-left: 40px;">Type and Section Number: _____</p> <p><input type="checkbox"/> Other: _____</p> <p>Exemption Findings:</p> <p>._The subject site is located in an urbanized area zoned for commercial use and is less than 10,000 square feet in size._____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>
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Contact Anastazia Aziz, AICP, Senior Planner Contact Phone: (831) 648-3183

Signature:

Date: _01/29/16_____