



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

AGENDA REPORT

TO: City Council

FROM: Anastazia Aziz, AICP, Senior Planner

MEETING DATE: April 2, 2014

SUBJECT: Appeal of Use Permit Amendment UPA 13-048 for the property located at 1101 Lighthouse Avenue (Sea Breeze Lodge) to amend Use Permit UP 2703-01 to allow a two-story six-unit motel building in place of an approved conference facility, and to remodel an existing storage building to allow two larger motel units than previously approved, for total of 39 motel units and associated parking, and the removal of two Monterey Pine trees 39” and 43” in diameter base height., pursuant to PGMC §23.52.035.

ADDRESS: 1101 Lighthouse Ave.; Lot 3, Block 321, PG Acres Tract; APN: 006-371-001

**ZONING/
LAND USE:** R-3-M Multiple Family Residential-Motel District/
Visitor Accommodation

APPLICANT: Gerry Case, on behalf of Greg Zimmerman and Anthony Faux, Owners

CEQA: Class 3 Categorical Exemption, Sec. 15303 and 15304

RECOMMENDATION

Continue this item to a date certain of April 16, 2014 to allow time additional time for Public Noticing.

BACKGROUND

On March 6, 2014, the Planning Commission voted 4-2-1 (Aeschliman and Murphy oppose, one vacancy) to approve Use Permit Amendment UPA 13-048. On Monday, March 17, 2014, an appeal of the decision was received by the City Clerk.

Voters approved Measure U on November 8, 2011, which eased some of the R-3-M zoning district (PGMC Chapter 23.52) regulations for motels and hotels. Measure U is an amendment to the 1986 Measure C, a voter approved motel ordinance that has maintained the unique residential character of Pacific Grove since its passage. Measure U modifies some requirements of Measure C, balancing hotelier, city and residential concerns by offering more opportunities for innkeepers to upgrade their motel properties, stimulating a possible increase in Transient Occupancy Tax (TOT) revenues, and preserving the original intent of Measure C to protect the residential character of the City and prevent motel impacts on surrounding neighborhoods.

Measure U applies only to R-3-M district motels. Most pre-1986 motels, including the subject property, exceed Measure C guidelines, and are considered "legal nonconforming." Under Measure C, nonconforming motels could not be altered or expanded without bringing the entire property into zoning conformance, making upgrades extremely difficult. Measure U allows for renovations within the existing motel footprint, improving their competitive position in the marketplace. While some relief in building setback and height standards would apply only to the new units, the standards are still intended to protect the privacy of nearby residences. All other R-3-M standards shall apply including but not limited to parking, building coverages. In addition, adequate water supply requirements do not change.

A Phase I Historic Report was completed on November 25, 2013 and the property was found ineligible for the City's Historic Resources Inventory, and both the State and National Register.

DISCUSSION

Based on the existing guest unit to lot area ratio, the motels affected by Measure U were placed into three groups. The subject property is in "Group A", which are motels that can construct additional units by conversion of existing buildings or by new construction, where the existing number of permitted guest units is less than 170% of the current maximum 1:2,500 density ratio.

The property currently has 30 existing units. Three additional units were approved by UP 2703-01 on March 21, 2002, but are not yet constructed. The property is allowed through Measure U a total of 40 units. UPA 13-048 proposes to add 6 new units at this time, bringing the total number of approved units to 39.

General Plan. The Grove General Plan provides a framework for future growth and development within the City. The Land Use Element includes goals and policies that call for the orderly, well-planned, and balanced development consistent with the historic nature of Pacific Grove, the capacity of the City's infrastructure, and ability to assimilate new growth. Specific General Plan land use policies relevant to the proposed project include the following:

Policy 2 - Ensure that new development is compatible with adjacent existing development.

Policy 3 - Balance a property owner's ability to develop with the desirability of maintaining neighborhood character.

Policy 15 - Encourage land uses that generate revenue to the City while maintaining a balance with other community needs, such as housing, open space, and recreation.

The Initial Study and Negative Declaration prepared for the Measure U amendments found that the amendments did not constitute a major change in land use since they were just a refinement of the existing regulations; as such, future development projects, such as the proposed project, were found to be compatible with the General Plan.

Zoning Code. The proposed project complies with all of the applicable provisions of the special regulations outlined in PGMC §23.52.035 including parking, setbacks, maximum building height, maximum unit size, site and building coverage, and water availability.

The proposed project meets the 60% site coverage regulations in conformance with the R-3-M zoning district by removing concrete and asphalt, and replacing it with permeable pavers over an engineered permeable base.

A storage building is proposed for conversion to two units. The building was approved for conversion by UP 2703-01, but the use permit required the building to meet the 10 foot setback which necessitated moving the western wall in 4 feet to meet the 10 foot setback requirement. Measure U does allow nonconformities, including legal non-conforming setbacks, of building conversions within the existing footprint as long as the remodel does not adversely affect the privacy of adjacent residential properties. The proposed conversion will retain the existing legal non-conforming western setback at 6 feet instead of the 10. No outdoor space is proposed and the area will be landscaped, therefore no adverse effects are anticipated.

The trash enclosure is shown facing Jewell Ave. and is located outside the front setback area, but is accessed from the street. The enclosure will have be a structure 11 feet in height with a roof made out of composition shingle

Water. One of the provisions requires that new guest units must have available water. Each new motel unit would require 0.1 acre feet of water, for a total of 0.5 acre feet. This water is available and will be allocated from the City's commercial water allocation after water efficiency retrofits have been completed on the property.

Use Permit. The original use permit was issued in 2002. Although it is highly unusual for a use permit to remain viable for this long, use permits generally remain in effect as long as there is an active building permit. The necessary building permit(s) for the Seabreeze Inn improvements was obtained and kept current during the past ten years, which included the Great Recession and the difficulties since then that developers have faced in securing needed financing.

Tree Removal. The project proposes to remove two Monterey Pine trees that are cabled together, both 75 feet in height with a diameter base height of 39" and 43". PGM C S. 12.30.010 12 allows trees to be removed as a result of development and S. 12.20.040 allows trees to be removed if the Tree Risk Assessment Level is "High" or "Extreme." The Tree Hazard Evaluation Report and Replanting Plan were reviewed by the City Arborist who recommends approval for removal based on both impacts from new development and the Tree Risk Assessment Level. The project proposes to replant four trees on the property in conformance with S. 12.20.080 and the City Arborist recommendations.

Staff recommends approval of UPA 13-048, subject to approval of the recommended findings and conditions (See Attachment 1, Draft Resolution).

CEQA

In reviewing this action the City has followed guidelines adopted by the State of California as published in California Administrative Code, Title 14, §15000, et seq. Should UPA 13-048 be approved, the action would be a Class 3 Categorical Exemption under CEQA Guidelines Section

CEQA Guideline sections 15303(c) and 15304 establish categorical exemption (Classes 3 and 4) entitled New Construction and Minor Alterations of Land, respectively. These provisions establish classes of projects that have been determined to not have a significant effect on the environment, and which are therefore exempt from the provisions of CEQA. Included in the Class 3 exemption is a minor addition to a motel. Included in the Class 4 exemption is the removal of vegetation. Not included in the Class 4 exemption is removal of healthy, mature, scenic trees.

OPTIONS

1. Approve a modified UPA 13-048, citing different findings and conditions; or
2. Deny UPA 13-04, citing findings.

ATTACHMENTS

1. Draft Resolution
2. Appeal
3. Permit Application
4. Project Data Sheet \
5. CEQA Exemption
6. Plan set
7. Tree Hazard Evaluation forms and Management Plan for Monterey Cypress and Monterey Pines
8. City Arborist Memo
9. Initial Historic Screening Determination
10. Phase 1 Historic Report
11. Water Wait List application
12. Use Permit 2703-01
13. Correspondence

RESPECTFULLY SUBMITTED:

REVIEWED BY:

Anastazia Aziz

Anastazia Aziz, AICP
Senior Planner

THOMAS FRUTCHY

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City Manager