For Council Meeting of: November 29, 2016

CITY OF SANTA ROSA CITY COUNCIL

TO: MAYOR SAWYER AND MEMBERS OF THE CITY COUNCIL

FROM: AMY NICHOLSON, CITY PLANNER

PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT

SUBJECT: OFFICE COMMERCIAL ZONING CODE TEXT AMENDMENT

AGENDA ACTION: ORDINANCE INTRODUCTION

RECOMMENDATION

It is recommended by the Planning Commission and the Planning and Economic Development Department that the Council, introduce an ordinance approving a Zoning Code Text Amendment to allow the Lodging-Hotel or Motel land use, with a Minor Conditional Use Permit in the CO (Office Commercial) Zoning District.

EXECUTIVE SUMMARY

On September 22, 2016, the Planning Commission recommended (5-0, with two absences) that the Council approve an ordinance to amend the Zoning Code to allow the Lodging-Hotel or Motel land use, upon approval of a Minor Conditional Use Permit, for all properties in the City within the CO (Office Commercial) Zoning District.

BACKGROUND

1. Project Description

The proposed Zoning Code Text Amendment was initiated by Tharaldson Investments to allow a Hotel on a site located within the CO (Office Commercial) Zoning District. A Zoning Code Text Amendment, rather than a site specific Zoning Map Amendment, has been requested with this application. Staff finds the requested Text Amendment consistent with the General Plan, and therefore, a General Plan Amendment is not required.

The project proposes to amend Land Use Table 2-6 of the City of Santa Rosa Zoning Code to allow the Lodging-Hotel or Motel land use within the (CO) Office Commercial Zoning District, upon approval of a Minor Conditional Use Permit. Hotels and Motels are not currently permitted within the Office Commercial Zoning District. The Lodging-Hotel or Motel land use is currently permitted byright in the Downtown Commercial and Transit-Village Mixed zoning districts. The

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Lodging-Hotel or Motel land use is allowed with a Minor Use Permit in the General Commercial district.

The land use tables found in the Zoning Code include a variety of land uses that may be allowed within the various Residential, Commercial, Industrial, or Special Zoning Districts. While some land uses are permitted by-right, or without discretionary review, many land uses in the City's zoning districts require a Minor or Major Conditional Use Permit. Both Minor and Major Conditional Use Permits provide a process for reviewing land use activities that may be desirable in the applicable zoning district but whose effect on the site and surroundings cannot be determined before being proposed for a particular location. The Zoning Administrator is the review authority for Minor Conditional Use Permits, and the Planning Commission is the review authority for Major Conditional Use Permits.

The Lodging-Hotel or Motel land use is defined in the Zoning Code as a facility with guest rooms or suites, with or without kitchen facilities, rented to the general public for transient lodging. Hotels typically include a variety of services in addition to lodging; for example, restaurants, meeting facilities, and personal services. The land use also includes accessory guest facilities such as swimming pools, tennis courts, indoor athletic facilities, and accessory retail uses.

2. <u>Existing Land Use – Project Location</u>

As the Zoning Code Text Amendment proposes a change to the permitted uses within all CO (Office Commercial) zoned parcels within the City, there are no specific details regarding the affected sites. However, as depicted on the attached Zoning Map and General Plan Land Use Diagram, the CO (Office Commercial) zoned and Office Land Use designated parcels are generally located along the regional/arterial streets, are primarily clustered, and are adjacent to more intense land uses including Retail & Business Services and Medium to Medium-High Residential Densities. These qualities further demonstrate compatibility and consistency of the proposed Text Amendment with the vision of land use development within the City.

3. Project History

On April 12, 2016, a Pre-Application Meeting was held with applicant team and City Staff to discuss a proposal for a Hotel on Airway Drive, and to identify potential issues prior to a formal application.

On May 25, 2016, the application for a Zoning Code Text Amendment was submitted to the Planning and Economic Development Department.

On September 22, 2016, the Planning Commission recommended approval of the Zoning Code Text Amendment to the City Council by a vote of 5-0-2-0 (Chair

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Cisco, Vice Chair Stanley, Commissioners Duggan, Edmondson, and Crocker, voting YES and Commissioners Groninga and Dippel being absent.)

No additional entitlement applications have been received to date related to the proposal on Airway Drive.

PRIOR CITY COUNCIL REVIEW

Not applicable.

<u>ANALYSIS</u>

1. General Plan

The CO (Office Commercial) Zoning District is the sole district that implements the Office Land Use Designation. There are currently 372 acres of land within the City designated as Office Land Use. The General Plan describes the Office Land Use as a designation that provides sites for administrative, financial, business, professional, medical, and public offices. Despite the brief description, staff finds that hotels and motels, as a supportive use in the Office designation, implement a number of General Plan goals and policies:

Land Use and Livability:

LUL-I Maintain vibrant, convenient, and attractive commercial centers.

LUL-I-1 Provide a range of commercial services that are easily accessible and attractive, that satisfies the needs of people who live and work in Santa Rosa and that also attracts a regional clientele.

LUL-J Maintain the economic vitality of business parks and offices, and Santa Rosa's role as a regional employment center.

LUL-J-1 Maintain an adequate supply of employment centers in a variety of locations and settings to ensure the city's continued economic vitality.

LUL-J-3 Allow limited support retail and business services – such as cafes, delis, and dry-cleaners – where the land use classification on the General Plan Land Use Diagram is Office or Business Park.

Economic Vitality:

EV-B Facilitate the retention and expansion of existing businesses and provide sufficient land for business expansion and attraction of new employers that utilize the area's existing labor pool.

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EV-B-1 Monitor land use and development trends in the city to ensure an adequate supply of land that offers diverse use designations and development intensities.

EV-B-7 Focus business attraction efforts on filling vacancies in commercial and industrial structures.

EV-D Maintain the economic vitality of the downtown, business parks, offices and industrial areas.

EV-D-1 Continue to promote Santa Rosa's role as a regional center.

EV-D-3 Focus office development within downtown. Encourage business services to locate within downtown to support professional and administrative office uses.

EV-D-6 Pursue expansion of the number of hotel rooms and conference facilities in order to attract more meetings and conventions to the city. Aggressively promote the city to the visitor and convention markets.

The General Plan also includes additional context in the Economic Vitality Element that further supports the Zoning Code Text Amendment:

"The objective of the Economic Vitality Element is to ensure that the General Plan and all related policies acknowledge and prioritize the importance of economic sustainability, ensuring the city maximizes its economic opportunities for the community."

The City's Economic Strategy according to the General Plan "recommends growing dollars spent in the community by promoting tourism and attracting visitors to the city's surrounding wine country and its downtown and entertainment venues, along with promoting arts and cultural events and retail opportunities. All of these actions combine to promote economic growth and sustainability by making Santa Rosa a destination city for prospective residents, employers and tourists."

Staff Response:

Staff has determined the proposal is consistent with and implements a number of General Plan Goals and Policies within the Land Use and Livability and the Economic Vitality Elements. Specifically, the allowance of the Lodging-Hotel and Motel land use with a Minor Use Permit in the Office Commercial Zoning District would encourage the reoccupation of vacant commercial buildings Citywide, or within the downtown. Further, the Zoning Code Text Amendment would allow the City to encourage more meetings and conventions, attract tourism, drive activity in appropriate areas of the City, and further promote Santa Rosa as the regional

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center, all while utilizing the City's existing labor pool. As indicated in the land use policy LUL-J-3, "limited support retail and business services," are allowed in Office designated properties. Staff has determined this policy demonstrates the primary Office land use is intended to be supported by, and has a synergy with commercial uses, including lodging.

2. Zoning

The Zoning Code describes the (CO) Office Commercial zoning district as areas appropriate for administrative, business, financial, medical, professional, and public office uses, together with similar and related compatible uses. Residential uses may also be accommodated as part of mixed use projects.

Any proposal to construct a hotel or motel within the CO (Office Commercial) Zoning District would receive discretionary review through the Minor Use Permit process. Findings for a Minor Use Permit ensure a proposed project is compatible with the site and the surroundings. Specifically, the design, location, size and operating characteristics are required to be compatible with existing and future land uses in the vicinity, and the site is required to be physically suitable for the type, density and intensity of the use being proposed.

Pursuant to Zoning Code Section 20.64.050, a Zoning Code Text Amendment may be approved only if each of the following findings are made:

- a. The proposed amendment is consistent with the goals and policies of all elements of the General Plan, and any applicable specific plan.
 - As discussed in the General Plan section above, Staff has determined the proposed amendment to be consistent with the goals and policies of the General Plan.
- b. The proposed amendment would not be detrimental to the public interest, health, safety, convenience, or welfare of the City.
 - A Minor Use Permit would be required prior to the approval of a Lodging-Hotel or Motel Land Use at a specific site, thus reducing any project or site specific effects. During the Minor Use Permit process, City Staff and requisite outside agencies would ensure that health and safety standards were met, environmental analysis occurred, and neighborhood input was solicited.
- c. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).
 - This finding is addressed below in the Environmental Impact section and in the attached draft Zoning Code Text Amendment Resolution.

d. The proposed amendment is internally consistent with other applicable provisions of this Zoning Code.

The Zoning Code defines the CO (Office Commercial) Zoning District as appropriate for administrative, business, financial, medical, professional, and public office uses, together with similar and related compatible uses. Residential uses may also be accommodated as part of mixed use projects. The Lodging-Hotel and Motels land use has been determined as a related and compatible supportive Land Use with the currently permitted offices, restaurants, and personal services allowed within the CO district. The Zoning Code defines Hotels and Motels as facilities that typically provide meeting facilities, restaurants, and personal services, all of which are elements currently permitted in the Office Commercial Zoning District. In addition, each proposed Hotel or Motel would be subject to approval of a Minor Use Permit to ensure compatibility with the surrounding area, and the less intense development standards specified for the CO Zoning District.

3. Public Comment

Staff received numerous written and verbal public comments related to the proposal in response to the Planning Commission public hearing notice. A number of the comments were general inquiries regarding the affected sites. Two comments were received in support of proposal to broaden the allowable land uses throughout the city and zoning districts. The largest concentration of comments came from residents, primarily living in Bennett Valley, with concerns regarding impacts to noise, traffic, and safety.

4. Public Improvements/On-Site Improvements

Public Improvements/On-Site Improvements are not applicable to this proposal.

FISCAL IMPACT

Approval of this action does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA). Because the proposed Zoning Code text amendment is consistent with General Plan 2035, the project relies upon the General Plan 2035 Environmental Impact Report (November 3, 2009, SCH No. 2008092114), and is consistent with CEQA Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning). The Environmental Impact Report for the General Plan

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2035 analyzed impacts to Traffic, Air Quality and Green House Gases, and Noise for the implementation of the General Plan. Based on the similar level of intensity of development analyzed under the Office Land Use designation, including general office, restaurants, gas stations and additional retail, in the General Plan Environmental Impact Report, Staff has determined the analysis to be adequate for the scope of change proposed by this project.

Potential traffic and noise impacts specific to Lodging were reviewed by City staff. A trip generation, based on the 9th Edition Institute for Transportation Engineers Manual, was produced to compare the average trips per A.M. and P.M. peak hour for a General Office and Medical Office Use with a Hotel and a Motel Use based on a building of 50,000 square feet that included 101 rooms. Both Office Uses generated more peak trips per hour than either Lodging Use. Specifically, a Hotel Use generated 54 A.M. and 61 P.M. peak hour trips and a Motel Use generated 45 A.M. and 47 P.M. peak hour trips. A General Office Use produced 67 A.M. and 74 P.M. peak hour trips and a Medical Office Use produced 120 A.M. and 179 P.M. peak hour trips. Therefore, staff determined impacts to traffic would be less significant than the currently permitted office land uses.

Impacts to noise were reviewed based on the projected noise contours based on the implementation of the General Plan 2035. Parcels within the City zoned CO (Office Commercial) parcels are located within noise contours anticipated to be at higher levels than the less intense, primarily residential areas of the City. The affected properties are mostly surrounded by commercial uses and higher density housing. In addition, the City's Noise Ordinance categorizes office and commercial uses with the same acceptable sound levels. Further, if needed, any site specific proposal may be required to submit a sound study to demonstrate compliance with the City's standards during project construction and operation.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

The Planning Commission (Commission) held a public hearing for the project on September 22, 2016. At that time, the Commission recommended approval of the proposed Zoning Code Text Amendment to the City Council by a vote of 5-0-2-0 (Chair Cisco, Vice Chair Stanley, Commissioners Duggan, Edmondson and Crocker voting YES and Commissioners Groninga and Dippel being absent.)

NOTIFICATION

The public hearing was noticed by mail to all owners of property within the CO (Office Commercial) zoning district, and by a 1/8 page announcement published in the Press Democrat. In addition, the notice was posted to the City's website, at City Hall, and was emailed to all members of the Community Advisory Board.

ATTACHMENTS

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- Attachment 1 Disclosure Form
- Attachment 2 Location Map
- Attachment 3 General Plan Land Use Diagram
- Attachment 4 Project Description
- Attachment 5 Noise Contours Figure
- Attachment 6 Public Correspondence
- Ordinance

CONTACT

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