



# CITY OF MORRO BAY PLANNING COMMISSION AGENDA

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*The City of Morro Bay is dedicated to the preservation and enhancement of the quality of life.  
The City shall be committed to this purpose and will provide a level of municipal service and safety  
consistent with and responsive to the needs of the public.*

**Regular Meeting - Tuesday, May 3, 2016  
Veteran's Memorial Building – 6:00 P.M.  
209 Surf Street, Morro Bay, CA**

Chairperson Robert Tefft

Commissioner Gerald Luhr  
Commissioner Michael Lucas

Commissioner Richard Sadowski  
Commissioner Joseph Ingrassia

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE  
PLANNING COMMISSIONER ANNOUNCEMENTS

## PUBLIC COMMENT PERIOD

Members of the audience wishing to address the Commission on matters not on the agenda may do so at this time. In a continual attempt to make the public process open to members of the public, the City also invites public comment before each agenda item. Commission hearings often involve highly emotional issues. It is important that all participants conduct themselves with courtesy, dignity and respect. All persons who wish to present comments must observe the following rules to increase the effectiveness of the Public Comment Period:

- When recognized by the Chair, please come forward to the podium and state your name and address for the record. Commission meetings are audio and video recorded and this information is voluntary and desired for the preparation of minutes.
- Comments are to be limited to three minutes so keep your comments brief and to the point.
- All remarks shall be addressed to the Commission, as a whole, and not to any individual member thereof. Conversation or debate between a speaker at the podium and a member of the audience is not permitted.
- The Commission respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the Commission to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in Commission meetings is welcome and your courtesy will be appreciated.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Community Development at (805) 772-6264. Notification 24 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. There are devices for the hearing impaired available upon request at the staff's table.

## PRESENTATIONS

Informational presentations are made to the Commission by individuals, groups or organizations, which are of a civic nature and relate to public planning issues that warrant a longer time than Public Comment will provide. Based on the presentation received, any Planning Commissioner may declare the matter as a future agenda item in accordance with the General Rules and Procedures. Presentations should normally be limited to 15-20 minutes.

A. CONSENT CALENDAR

**A-1** Current and Advanced Planning Processing List  
**Staff Recommendation:** Receive and file.

**A-2** Approval of minutes from the Planning Commission meeting of January 19, 2016 and February 2, 2016.  
**Staff Recommendation:** Approve minutes as submitted.

B. PUBLIC HEARINGS

Public testimony given for Public Hearing items will adhere to the rules noted above under the Public Comment Period. In addition, speak about the proposal and not about individuals, focusing testimony on the important parts of the proposal; not repeating points made by others.

**B-1 Case No.:** CP0-404 and UP0-364

**Site Location:** 1840 Main Street

**Proposal:** Coastal Development Permit and Conditional Use Permit for new construction of an approximate 1,400 sf restaurant with outdoor seating only, canopied parking for drive-up service, drive-thru service, and associated site improvements including ground work, retaining walls, frontage improvements, and landscaping. The project includes removal of existing flatwork and landscaping on a vacant lot from previous development. The project also include a master sign program including total signage area exceeding City standards. In addition, the project will include utility trenching of 4-6 feet across Main Street to the west of the property as well as trenching across Caltrans right of way which fronts on Atascadero Road. This project is located outside the Coastal Commission appeals jurisdiction.

**CEQA Determination:** Mitigated Negative Declaration

**Staff Recommendation:** Continue to the 5/17/2016 Planning Commission hearing for required legal noticing

**Staff Contact:** Cindy Jacinth, Associate Planner, (805) 772-6577

**B – 2 Case No.:** A00-029 (Local Coastal Program and Zoning Text Amendment)

**Site Location:** Citywide

**Applicant/Project Sponsor** City of Morro Bay

**Proposed Amendment:** Local Coastal Program and Zoning Text Amendment proposing to amend 1) Section 17.48.320 *Granny Second Units*, modifying the section to be consistent with State law, 2) Section 17.48.315 *Guesthouses/Quarters and Accessory Areas*, and 3) other related sections in the Morro Bay Municipal Code for internal consistency.

**CEQA Determination:** Negative Declaration.

**Staff Recommendation:** Forward a favorable recommendation to the City Council to approve the proposed Amendment and find it consistent with the Negative Declaration.

**Staff Contact:** Whitney McIlvaine, Contract Planner (805) 772-6211

C. NEW BUSINESS

**C-1** Review and discussion of historic parking credits  
**Staff Recommendation:** Review and discussion

**C-2** Review and discussion of the boat haul out facility preliminary design plan - *no staff report*  
**Staff Recommendation:** Review and discussion

D. UNFINISHED BUSINESS - NONE

E. PLANNING COMMISSIONER COMMENTS

F. COMMUNITY DEVELOPMENT MANAGER COMMENTS

G. ADJOURNMENT

Adjourn to the regular Planning Commission meeting at the Veteran's Memorial Building, 209 Surf Street, on May 17, 2016 at 6:00 p.m.

**PLANNING COMMISSION MEETING PROCEDURES**

This Agenda is subject to amendment up to 72 hours prior to the date and time set for the meeting. Please refer to the Agenda posted at the Community Development Department, 955 Shasta Avenue, for any revisions, or call the department at 772-6264 for further information.

Written testimony is encouraged so it can be distributed in the Agenda packet to the Commission. Material submitted by the public for Commission review prior to a scheduled hearing should be received by the Planning Division at the Community Development Department, 955 Shasta Avenue, no later than 5:00 P.M. the Tuesday (eight days) prior to the scheduled public hearing. Written testimony provided after the Agenda packet is published will be distributed to the Commission but there may not be enough time to fully consider the information. Mail should be directed to the Community Development Department, Planning Division.

Materials related to an item on this Agenda are available for public inspection during normal business hours in the Community Development Department, at Mill's/ASAP, 495 Morro Bay Boulevard, or the Morro Bay Library, 695 Harbor, Morro Bay, CA 93442. Materials related to an item on this Agenda submitted to the Planning Commission after publication of the Agenda packet are available for inspection at the Community Development Department during normal business hours or at the scheduled meeting.

This Agenda may be found on the Internet at: [www.morro-bay.ca.us/planningcommission](http://www.morro-bay.ca.us/planningcommission) or you can subscribe to Notify Me for email notification when the Agenda is posted on the City's website. To subscribe, go to [www.morro-bay.ca.us/notifyme](http://www.morro-bay.ca.us/notifyme) and follow the instructions.

The Brown Act forbids the Commission from taking action or discussing any item not appearing on the agenda, including those items raised at Public Comment. In response to Public Comment, the Commission is limited to:

1. Responding to statements made or questions posed by members of the public; or
2. Requesting staff to report back on a matter at a subsequent meeting; or
3. Directing staff to place the item on a future agenda. (Government Code Section 54954.2(a))

Commission meetings are conducted under the authority of the Chair who may modify the procedures outlined below. The Chair will announce each item. Thereafter, the hearing will be conducted as follows:

1. The Planning Division staff will present the staff report and recommendation on the proposal being heard and respond to questions from Commissioners.
2. The Chair will open the public hearing by first asking the project applicant/agent to present any points necessary for the Commission, as well as the public, to fully understand the proposal.
3. The Chair will then ask other interested persons to come to the podium to present testimony either in support of or in opposition to the proposal.
4. Finally, the Chair may invite the applicant/agent back to the podium to respond to the public testimony. Thereafter, the Chair will close the public testimony portion of the hearing and limit further discussion to the Commission and staff prior to the Commission taking action on a decision.

**APPEALS**

If you are dissatisfied with an approval or denial of a project, you have the right to appeal this decision to the City Council up to 10 calendar days after the date of action. Pursuant to Government Code §65009, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Commission, at, or prior to, the public hearing. The appeal form is available at the Community Development Department and on the City's web site. If legitimate coastal resource issues related to our Local Coastal Program are raised in the appeal, there is no fee if the subject property is located within the Coastal Appeal Area. If the property is located outside the Coastal Appeal Area, the fee is \$263 flat fee. If a fee is required, the appeal will not be considered complete if the fee is not paid. If the City decides in the appellant's favor then the fee will be refunded.

City Council decisions may also be appealed to the California Coastal Commission pursuant to the Coastal Act Section 30603 for those projects that are in their appeals jurisdiction. Exhaustion of appeals at the City is required prior to appealing the matter to the California Coastal Commission. The appeal to the City Council must be made to the City and the appeal to the California Coastal Commission must be made directly to the California Coastal Commission Office. These regulations provide the California Coastal Commission 10 working days following the expiration of the City appeal period to appeal the decision. This means that no construction permit shall be issued until both the City and Coastal Commission appeal period have expired without an appeal being filed. The Coastal Commission's Santa Cruz Office at (831) 427-4863 may be contacted for further information on appeal procedures.



City of Morro Bay  
 Community Development Department  
 Current & Advanced Project Tracking Sheet

This tracking sheet shows the status of the work being processed by the Planning & Building Divisions  
 New Planning items or items recently updated are highlighted in yellow. Building items highlighted in green are pending action from the applicant.  
 Approved projects are deleted on next version of log.

Agenda No: A-1  
 Meeting Date: May 3, 2016

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner	
<b>Hearing or Action Ready Projects:</b>											
1	City of Morro Bay	Citywide	10/16/13	A00-013	Zoning Text Amendment - Second Unit	Secondary Unit Ordinance Amendment. Ordinance 576 passed by City Council in 2012. 6-11-13 City Council direction to staff to bring back to Planning Commission for review of ordinance. At 10-16-13 PC meeting, Commission recommended changes to maximum unit size and tandem parking design where units over 900 sf and/or tandem parking design of second unit triggers a CUP process. Council accepted PC recommendation at 2-11-14 meeting and directed staff to bring back revised ordinance for a first reading and introduction. Item continued to 4/22/14 Council meeting to allow time for Coastal staff comment regarding proposed changes. Council approved Into and First Reading on 4/22/14. Final Adoption of Ord. 585 at 5/13/14 Council meeting. Ordinance to be sent as an LCP Amendment for certification by Coastal Commission. New language for PC and Council review. Second reading going to council on April 12, 2016.	No review performed.				wm

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
2	Sonic	1840 Main St.	8/14/13	UP0-364 & CP0-404	Conditional Use Permit and Coastal Development Permit to develop Sonic restaurant.	Under initial review. Comment letter sent 9/10/13. CJ. Spoke w/ applicant 10/3 re: traffic study. CJ. Public Works & Fire comments received & forwarded 10/8/13 to applicant. Comments from Cal Trans received 10/31 and forwarded to Applicant. Applicant requested meeting w/ City staff & Cal Trans to review project requirements. Had project meeting-discussed traffic study requirements on 11-21-13. Requested fee estimate from environmental consultant for CEQA purposes. CJ. Resubmitted 5/27. Environmental Review in process. Correction letter based on environmental review sent 8-6-14. Resubmittal received 1-23-15 and correction sent 2-23-15. Resubmittal received 5/8/15. Reviewing initial study for pending route to State Clearinghouse. Stormwater Control Plan also being reviewed. Reviewing outstanding cultural resources concerns. Reviewed project with archaeologist 1-27-16. Archaeological consultation in progress. MND routed to State Clearinghouse. Comment letter received from APCD re MND. cj. Noticing error necessitates continuance from 5/3/16 to 5/17/16 PC hearing.	Bldg -- Review complete, applicant to obtain building permit prior to construction.FD-Disapprove UPO 364/CPO 404 9/11/13.9/9/14 FD App TP. 2/10/15 FD Not App TP.	PN- on hold until Sonic submits Preliminary Stormwater Requirements. RPS: Initial conditions provide by memos of 9/10/13 and 10/14. Met with Caltrans on 10/17.		cj
3	Regan	3030 Beachcomber Dr	3/7/16	CP0-504	<b>Admin Coastal Permit for 496 sf guesthouse addition</b>	Under initial review. Waiting on comments. Noticed 4/25				jg
4	AT&T	590 Morro Street	4/10/15	UP0-411 & CP0-465	Conditional Use Permit & Coastal Development permit to modify 2006 Planning permit approval for unmanned cell site	WM.Was tentatively scheduled for 3-1-16 PC hearing. Awaiting additional info from applicant. Tentatively scheduled for 5-17-16 hearing.				wm
<b>30 -Day Review, Incomplete or Additional Submittal Review Projects:</b>										
5	James Maul	530 Morro Ave	3/12/2010-4/20/2016	SP0-323 & UP0-282 & CP0-323	Parcel Map, CDP & CUP for 3 townhomes. Resubmittal- 11/8/10. Resubmittal did not address all issues identified in correction letter. <b>New 2,978 sq. ft. SFR with 1,516 sq. ft. garage, 1,191 sq. ft. of decking, and a 560 s. ft. secondary dwelling unit.</b>	KW Incomplete letter sent 4/20/10. Met with applicant 5/25/10. Letter sent to applicant/agent indicating the City's intent to terminate the application based on inactivity. City advised there will be a new applicant and to keep the application viable.MR: Received letter from applicant's rep 11/15/12 requesting project remain open - Called B. Elster for further information. Six month extension granted. Sent Intent to Deem Withdrawn Letter 8-28-14. Applicant requested to keep project open 9-25-14. Applicant has decided against the parcel map and development of three townhomes and now proposes to build one SFR and a secondary dwelling unit. Under initial review	Please route project to Building upon resubmittal.			ej jg
6	McNamara	2720 Dogwood	3/1/16	UP0-441	<b>Garage and 2nd story addition to existing SFR</b>	Under Initial Review. Waiting on comments. Project redesign to eliminate nonconformity. Waiting on resubmittal				jg

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7	Borges / RPM Consulting	1998 Main Street	3/1/16	CP0-503	<b>Coastal Dev. Permit for addition of 2nd story office/laundry room remodel to commercial building in Mobile Home Park</b>	Waiting on full project submittal. (Applicant recv'd HCD building permit and started construction before getting CDP). Rcv'd 3/17. Correction letter sent				jg
8	Hair	1078 Monterey St	2/26/16	S00-126	<b>Lot Line Adjustment/ Voluntary Lot Merger</b>	Minor adjustment to reconcile historical lot line discrepancies.				cj
9	McClary	434 Kern Ave	2/25/16	CP0-501	<b>Admin Coastal Dev Permit for Demo 918sf SFR and construct new 2607sf SFR</b>					wm
10	Rhine LP & Morro 94, LLC	3300 Panorama	2/24/16	CP0-500 & UP0-440	<b>Coastal Development Permit &amp; Conditional Use Permit for Demolition of 3 existing tanks, related pumps and concrete</b>	Under review				wm
11	Barry	2234 Emerald Circle	2/4/16	CP0-498 & UP0-439	<b>Coastal Development &amp; Conditional Use Permit for SFR in Cloisters neighborhood</b>	Under initial review. Waiting on comments. Cloisters arch review committee approval req'd before City can take action				jg
12	Mazzacane	270 Kern	1/7/16	CP0-495	<b>Admin CDP for demo/reconstruct. Demo 848sf SFR and construct new 2763sf SFR w/ 532 sf garage</b>	JG Under initial review. Waiting on PW comments...Incomplete letter sent 2/16/2016. Historical evaluation required				jg
13	Eisemann	535 Atascadero	10/12/15	CP0-490 & S00-125	Parcel map application & CDP to split 1 R-4 zoned lot in to two lots.	Incomplete letter sent 11-5-15. Received revised plans and communicated via email to applicant regarding plan corrections. Resubmittal under review. Correction letter sent 2/18/16 with Public Works comments. Received revised info from Applicant 3-3-16. Correction sent and resubmitted 4-8-16. Met w/ Architect to discuss intent to include development of 4-plex apartments				jg
14	Elliott/ Bernal	2620 Laurel Ave	9/30/15	CP0-489	Admin CDP for new 2,461sf Single family home w/ 710 sf garage and 1495sf of balcony	JG. Under Initial Review. Correction letter sent 10/27. Spoke with Applicant and letter rcv'd 2/16- indicated desire to keep project open, updated plans to be submitted		PN- Conditionally approved per memo dated 10/22/15		jg
15	DeGarimore	1001 Front St.	7/14/15	A00-026 and UP0-442	Amendment to CUP to modify project description to remove proposed new awning.	Letter sent to applicant 9-9-15 regarding public access requirements. In process. Applicant wishes to include a kiosk for Virg's Landing with the awning amendment. Reviewed prelim site plan of kiosk and provided email comment corrections on 2/24/16. Met with Virg's Landing owner to discuss kiosk plan 2-29-16. TUP application submitted for kiosk proposal adjacent to parking lot on 4-19-16				cj
16	Gambriel	405 Atascadero Rd.	5/13/15	CP0-475 / UP0-417	New construction of 10,000sf commercial retail on vacant lot	WM. Under review. Will need Arch and Traffic reports. Incomplete letter sent 9/4/15.		PN-Plans Disapproved. Req. Stormwater determination form & plan update-8/25/15		wm

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
17	T-Mobile	1478 Quintana	1/30/15	UP0-403	Minor Use Permit to Modify existing wireless telecommunication site at church	JG - Under initial review. Correction letter sent 3/5/2015. JG. Partial resubmittal rcv'd via email 9/18		JW approved		jg
18	Verizon / Knight	184 Main	11/19/14	UP0-394	Conditional Use Permit for installation of new Wireless Facility/Verizon antennas on existing pole.	Under Review. JG. Incomplete. Waiting on response from Tricia Knight. Wants to keep project open and figure out the parking situation or move location. 1/26. JG. Applicant looking to move location to pole across the street		RPS disapproved on 12/15/14 since proposed pole site will be removed during undergrounding project		jg
19	Leage	833 Embarcadero	9/15/14	UP0-389	Demolish existing building. Reconstruct new 1 story 19 foot building (retail/restaurant use) & outdoor improvements	Under review. Deemed incomplete. Letter sent 10-13-14. CJ Resubmittal received 2/17/15. Incomplete letter sent. Resubmittal received. Not compliant with view corridors requirements. Resubmitta received 1-20-16. Email corrections provided to Applicant on 2/10. Reviewed revised plans received from architect via email on 3/7/16.	BC- incomplete	RPS - Disapproved for plan corrections noted in memo of 10/14/14		cj
20	Perry	3202 Beachcomber	9/8/2011 & 10/25/2012	AD0-067 / CP0-381	Variance. Demo/Reconstruct. New home with basement in S2.A overlay. Variance approved for deck only; the issue of stories was resolved due to inconsistencies in Zoning Ordinance.	Variance approved at 8/15/12 PC meeting. Appealed by 3 parties to City Council. Appeal to be heard. City Attorney reviewing. Appeal in abeyance until coastal application complete. Incomplete letter for CDP sent 12/13/12. No response since 2012. Sent Intent to Deem Withdrawn Letter 9-2-14. JG. Applicant responded with Request for Meeting to keep CDP application open. SG. Met with architect on 4/12/16 regarding resubmittal options. cj. Sent intent to withdraw application 4-7-16. Met w/ applicant's agent 4/11. No additional response, application withdrawn on 4-26-16.	Review complete, applicant to obtain building permit prior to construction.	No review since conditional approval of 6/11/12		cj
<b>Planning Commission Continued projects:</b>										

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
21	LaPlante	3093 Beachcomber	11/3/11	CP0-365	Coastal Development Permit for New SFR in appeals jurisdiction. Proposed SFR of 3,495sf w/ 500 sf garage on vacant land.	SD-- Incomplete Letter 12/12/11. Letter sent 4/11/2012 requesting environmental study. MR-Met with Applicant and discussed potential impacts of project and CEQA information requested to complete MND. Project referred to env. consultant and Coastal. MND in process. Applicant revising bio report and snail study. Spoke w/ Applicant Representative 3-13-14. Snail study complete and sent to Dept of Fish and Wildlife for concurrence review. Spoke w/ env. consultant re environmental 4/7 CJ. Met with application 7-18-14 to request addendum to bio report in order to complete CEQA. Bluff determination and snowy plover report submitted 8-14-14. CJ. MND complete. Anticipate routing to State Clearinghouse on 9/18/14. Coastal Commission comment letter received 10-20-14. City responded to Coastal on 10-27. Applicant working to address comments. Discussed project with Coastal staff in meeting 11-18-14 and met with applicant 12/4/14 and 1/20/15. Received plans revisions and sent request for Coastal concurrence 9-2-15. CJ. Continued to a date uncertain to redraw ESH buffer setback. Received phone call from Coastal Commission 3-2016 with request for project status.	Review complete, applicant to obtain building permit prior to construction.	No review since conditional approval of 11/20/12	Conditionally approved, per memo 9/22/15	cj
22	Seashell Estates, LLC	361 Sea Shell Cove	1/26/15	CP0-459/ UPO-401	Coastal Development Permit/Conditional Use Permit for new SFR. Lot 4 of 1305 Teresa Subdivision	Reviewing CC&R Design Guidelines. Deemed complete 3-2-15. Anticipate 4/21 PC hearing. Project continued to a date uncertain. CJ.	2/23/15 FD Cond App TP	BCR has for review 2/3/15		cj
23	City of Morro Bay	End of Nutmeg	1/18/12	UPO-344	Environmental documents for Nutmeg Tanks. Permit number for tracking purposes only County issuing permit. Demo existing and replace with two larger reservoirs. City handling environmental review	KW--Environmental contracted out to SWCA estimated to be complete on 4/27/2012. SWCA submitted draft I.S. to City on May 1, 2012. MR-Reviewed MND and met with SWCA to make corrections. In contact with County Environmental Division for their review. MND received by SWCA on 10/7/12. MND out for public notice and 30 day review as of 11/19/12. 30 day review ends on 12/25/12. No comments received. Scheduled for 1/16/13 Planning Commission meeting and then to be referred back to SLO County. Planning Commission continued this item to address concerns regarding traffic generated from the removal of soil. In applicant's court, they are addressing issues brought up by neighbors during initial P.C. meeting. Project has been redesigned and will be going forward with concrete tanks. Modifications to the MND are in process. Neighborhood meeting conducted with Engineering on 9/27/2013. Revising project description and MND.	No review performed.	BCR- New design concept completed. Needs new MND for concrete tank, less truck trips. Neighborhood mtg held 9/27. Neighbors generally support new design that reduces truck trips by 80%. Concrete batch plant set up on site will further reduce impact. 5/5/14 - Cannon contract signed to finish permit phase. Construction will be delayed to FY15/16		wm

**Projects Appealed or Forwarded to City Council:**

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
1	Black Hill Villas	485 South Bay Blvd	8/7/15	A00-027	Precise Plan CUP/VTTM modification to reflect Coastal Commission approved changes to CDP	Coastal Commission changes to the approved City Precise Plan. Requires Precise Plan modification to be consistent with Coastal Commission approvals.. Traffic Study update received and reviewed by City Engineer to determine appropriateness of traffic conditions based on changed project. Planning Commission forwarded favorable recommendation w/ concerns to City Council. To be heard by CC at 4-26-16 meeting.				cj
24	City of Morro Bay	Citywide	6/19/13	A00-015	Sign Ordinance Update. Text Amendment Modifying Section 17.68 "Signs"	Text Amendment Modifying Section 17.68 "Signs". Planning Commission placed the ordinance on hold pending additional work on definitions and temporary signs. 5/17/2010. PC made recommendations and forwarded to Council. Item heard at 5/24/11 City Council Meeting. Interim Urgency Ordinance approved to allow projecting signs. A report brought to PC on 2/7/2011. Workshops scheduled 9/29/11 & 10/6/11. -Workshop results going to City Council 12/13/11. Continued to 1/10/12 CC meeting. Staff Report to PC. Project went to 5/2/2012. Update due to City Council in June 2013. Draft Sign Ordinance reviewed by PC on 6/19/13. Continued to 7/3/13 PC meeting for further review. PC has reviewed Downtown, Embarcadero, and Quintana Districts as well as the Tourist-Oriented Directional Sign Plan. 8/21/13 Final Draft of Sign Ordinance approved at 9/4/13 PC meeting with recommendation to forward to City Council. Council directed staff to do further research with local businesses. First workshop held 11/14 with approx. 12 Quintana area businesses. Downtown workshop held March 2014, North Main business workshop held 4/28/14 and Embarcadero business workshop held 5/19/14. Result of sign workshops discussed at 11-3-15 PC mtg.	No review performed.	N/R		sg
<b>Environmental Review</b>										
25	City of Morro Bay	N/A		UP0-423	MND for Chorro Creek Stream Gauges	Applicant requesting meeting for week of 9/9/13. SWCA performing the environmental review. Received completed MND from Water Systems Consulting (WSC) on 4/1/15. Routed to State Clearinghouse for required 30 day review period. Tentative hearing 8/4/15.	No review performed.	MND complete. Cut permit checks to RWQCB and CDFW on 2/27/15		cj
<b>Final Map Under Review Projects:</b>										
26	Tract 2670	1899 -1911 Sunset	11/17/15	Map	Final Map. - Tract 2670 6 lot subdivision and 1 common lot	Under review. Correction letter sent on 12-17-15. Met with Applicant on 3-8-16 to review outstanding items. Received revised CC&R's 3-8-16 for review. CC&R documents reviewed and determined deficient - corrections sent 4-21-16				cj

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
27	Medina	3390	10/7/11	Map	Final Map. Issues with ESH restoration. Applicant placed processing of final map on hold by proposing an amendment to the approved tentative map and coastal development permit. Applicant proposed administrative amendment. Elevated to PC, approved 1/4/12. Appealed, scheduled for 2/14/12 CC Meeting. Appeal upheld by City Council, and project with denied 2/14/12. map check returning for corrections on 3/9/12	SD--Meeting with applicant regarding ESH Area and Biological Study. MR- Received letters from biologist regarding revegetation on 9/2/12. Letter sent to biologist. Recent Submittal reviewed and memo sent to PW regarding deficiencies. Initial review shows resubmitted map does not meet the 50 foot ESH buffer setback requirement. Creek restoration required per Planning condition #4 prior to recordation of the final map. Unresolved Planning conditions. Sent correction letter to Engineering 4-14-16. cj.	No review performed.	DH - resubmitted map and Biological study on Dec 19th 2012. PW has completed their review. Received a letter from Medina's lawyer and preparing response. PW comments sent to RS to be included with his response letter. RS said to process map for CC. Letter being prepared to send to		sg/cj
<b>Projects requiring coordination with another jurisdiction:</b>										
28	City of Morro Bay	Outfall			Original jurisdiction CDP for the outfall and for the associated wells	Coastal staff is working with staff. Coastal letter received 4/29/2013. Discussed project with Coastal staff in meeting 11-18-14.	No review performed.	City provided response to CCC on 7/12/13. Per Qtrly Conference Call CCC will take 30days to respond		
29	City of Morro Bay Desal Plant	170 Atascadero			Project requires a Coastal Development Permit for upgrades at the Plant. Final action taken Sent to CCC but pursuant to their request the City has rescinded the action.	Waiting for outcome from the CDP application for the outfall. Discussed project with Coastal staff in meeting 11-18-14.	No review performed.	BCR- Phase 1 Maint and Repair project is underway. Desal plant start-up scheduled for 10/15/13. Phase 1 complete and finalized. Phase 2 on hold as of 7/22/14.		
<b>Projects going forward to Coastal Commission for review (Pending LCP Amendments) / State Department of Housing:</b>										
2	City of Morro Bay	Citywide	2/1/13	Ordinance 556	Wireless Amendment - LCP Amendment CHAPTER 17.27 Amendment for "Antennas and Wireless Telecommunications Facilities" AND MODIFYING CHAPTER 17.12 TO INCORPORATE NEW DEFINITIONS, 17.24 to MODIFY primary district matrices to incorporate the text changes , 17.30 to eliminate section 17.30.030.F "antennas", 17.48 modify to eliminate section 17.48.340 "Satellite dish antennas".	Application for Wireless Amendment submitted to Coastal Commission 9-11-13. Received comments back from CCC 11-27-13, working on addressing issues. Amendments withdrawn from Coastal Commission as they are no longer consistent with state law. Item has been included in the FY 16/17 goals and objectives.	No review preformed.	N/A		sg
<b>Projects Continued Indefinitely, No Response to Date on Incomplete Letter or inactive:</b>										

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
3	Maritime Museum Association (Larry Newland)	Embarcadero	11/21/05	UP0-092 & CP0-139	Embarcadero-Maritime Museum (Larry Newland). Submitted 11/21/05. Resubmitted 10/5/06, tentative CC for landowner consent 1/22/07 Landowner consent granted. Resubmitted 5/25/07. Resubmitted additional material on 9/30/09. Applicant working with City Staff regarding lease for subject site. Applicants enter into agreement with City Council on project. Applicant to provide revised site plan. Staff processing a "Summary Vacation (abandonment)" for a portion of Surf Street. Staff waiting on applicant's resubmittal. Meeting held with applicant 2/23/2011. Staff met with applicant 1/27/11 and reviewed new drawings, left meeting with applicant indicating they would be resubmitting new plans based on our discussions.	KW--Incomplete 12/15/05. Incomplete 3/7/07. Incomplete Letter sent 6/27/07. Met to discuss status 10/4/07 Incomplete 2/4/08. Met with applicants on 3/3/09 regarding inc. later. Met with applicants on 2/19/2010. Environmental documents being prepared. Meeting held with city staff and applicants on 2/3/2011. Sent Intent to Deem Withdrawn letter 9-2-14. JG.	Please route project to Building upon resubmittal.	An abandonment of Front street necessary. To be scheduled for CC mtg.		
<b>Grants</b>										
4	California Coastal Commission, California Ocean Protection Council	City-wide	4/6/16		\$400,000 Grant Opportunity for funding for LCP update to address sea-level rise and climate change impacts.	Grant agreements for both the grants are in place and grant administration has been turned over to Michael Baker International, per terms of the GP/LCP update contract.	No review performed.	N/A		sg
5	City of Morro Bay	City-wide			Community Development Block Grant/HOME Program - Urban County Consortium	Staff has ongoing responsibilities for contract management. 2012 contracts in progress. 2013 contracts in progress. City Council approval 6/10/14 for City participation in Urban County consortium for Fiscal Years 2015-2017. Needs Assessment Workshop scheduled for 9/11/14 in tandem with Cities of Atascadero and Paso Robles at Atascadero City Hall 5pm. Draft 2015 CDBG funding recommendation approved by Council 12/9/14. 2016 Program year applications due 10/23/15. Final 2016 funding recommendations to be reviewed by Council on 3-8-16.	No review performed.	N/R		
6	City of Morro Bay	City-wide			Climate Action Plan - Implementation	Staff has ongoing responsibilities for implementation of Climate Action Plan as adopted by City Council January 2014. Staff coordinating activities with other Cities and County of SLO via APCD.				
<b>Projects in Building Plan Check:</b>										
1	Abel	765 Alta	4/27/16	B-30796	SFR Addition Foundation approved.			JL/PN-Not Approved per Memo dated 12/21/15		

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
2	Sangren	675 Anchor	04/27/216	B-29813	SFR Addition No activity on this project. Remains in plan check.	Requested corrections 1/9/13. CJ. Resubmittal received and under review (November 14, 2013). Denial letter sent 4/24/14 GN	BC- Returned for corrections 1/9/13.	N/A		
3	LaPlante	3093 Beachcomber	4/27/16	B-29586	New SFR: 3,495sf w/ 500 sf garage on vacant land. No activity on this project. Remains in plan check.	SD--Incomplete Letter 12/12/11. Phase 1 Arch Report required and Environmental Document. Incomplete letter sent 2/2012. Building Permit on hold until Planning process complete. CJ.	BC- Application on hold during planning process of 4-2-2012	DH- Provide SW mgmt, drainage rpt, EC per memo of 1/18/12.		
4	Ocean View Manor	456 Elena	4/27/16	B30746	Remodel of existing senior rental 40 apts. with common building and site improvements. First phase drywalled.	Planning approved. CJ		PN-Disapproved 11/30/15		
5	Parks	2810 Elm	4/24/16	B-30775	New 480sf detached garage with new driveway & walkway. Framing completed 4/22/2016.			PN-Approved 12/16/15		
6	Leage	1205 Embarcadero	4/24/16	B-30651	686sf second story addition. Remains in Plan check status.	Correction letter sent. Not compliant w/ Planning conditions. CJ	Plans Denied 09-24-2015 cdk	PN- Approved 10/1/15, no memo.		
7	PG&E	1290 Embarcadero	4/27/16	G-040	Soil Removal. Remains in plan check status.	CJ- Monitoring Well location partially in Coastal original jurisdiction. Coastal Commission processing consolidated permit. Waiver granted by Coastal 9-14-1491-W	BC- on hold pending planning process. Plans have been denied.	Memo of 11/29/13. CDP application should address soil revegetation		
8	Appleby	381 Fresno	4/27/16	B-30227	Carport & Storage Shed. Remians in plan check status.	Correction sent 8-7-14. WM. Will require a CUP prior to building. JG. Corrections sent 2/23 JG	Building approved 08-04-15 cdl	RPS - No PW comments if street access is not required for storage bldg		
9	Decker	430 Fresno	4/27/16	B-30491	Convert existing laundry room into bathroom. Remains in plan check status.	Approved. SG 6/15/15	Plans approved. 07-02-15 cdl	PN- Disapproved, needs sewer video & bwv 6/12/15		
10	Nico	2431 Greenwood	4/27/16	B-30783	74 sqft addition to existing 604 sqft deck. Foundations approved 4/26/2016			JL/PN-Approved 12/21/15		
11	Monie	2577 Greenwood	4/27/16	B-30483	600sf addition (1st & 2nd floor) to front of existing SFR. Drywall and Shower pan approved.			PN-Disapproved, needs Erosion control plan 11/23/15		
12	Jackson, Addis	2860 Greenwood	4/27/16	B-30639	Detached 160sf Guest cottage. Remains in plan Check Status.	Approved 11-19-15. JG	Approved 1-12-16. cdl	PN-Disapproved, needs Erosion control plan 11/23/15		
13	Hurlless	2265 Hemlock	4/27/16	B-30477	SFR Garage converted to 492sf apartment with new bedroom and bathroom. Remains in plan check status.	Disapproved 8-28-15. JG	05-15-15 Plans denied. Cdl	PN- Disapproved needs sewer lateral video-		
14	Gonzalez	481 Java	4/27/16	B-30029	SFR Addition/ Remodel: add 578 sf living and 112 sf decking. Remains in plan check Status.	WM. Expecting Admin Use Permit application for minor revision to approved design.	Plans approved 9-18-15 cdl	PN-Disapproved, needs swr video & plan corrections. 9/24/15		
15	Nisbet	225 Kern	4/27/16	B30761	Remodel & Addition of 123sf to 1,107sf of existing SFR. Foundations inspection approved.	JG. Requires a Conditional Use Permit		PN-Disapprovedper memo dated 12/2/15		
16	Nisbet	500 Kings	4/27/16	B30710	New 2,434 sf SFR with 672 sf garage and 228 sf of decking & shared driveway with adjacent lot foundation, ufer, and underground plumbing ok.		Plans under review. 10-21-15 cdl	PN-Disapprovedper memo dated 10/27/15		
17	Banuelos	350 Las Vegas	4/27/16	B-30613	Demo 832sf SFR & 384sf non-conforming detached garage. Build new 1,600sf SRF & 484sf garage. No request for inspections, yet.	Approved 11-12-15. JG.	Plans denied 10-16-15 cdl	PN-Approved 11/12/15		
18	Douglas	2587 Laurel	4/27/16	B-30352	Addendum to B-30074. Add 24 sq. ft., converting 1,020 sq. ft. to habitable space, add 120 sq. ft. porch, and 191 sq.ft. deck. Remains in plan check.	Under Review. JG. Denial	Plans Denied 08-05-15 cdl	PN 9/30/15 Approved as submitted. No memo		

#	Applicant/ Property Owner	Project Address	Date	Permit Numbers	Project Description/Status	Planning Comments and Notations	Building/Fire Comments and Notations	Engineering Comments and Notations	Harbor/Admin Comments and Notations	Project Planner
19	Dyson	117 Main	4/27/16	B-30248	Covered Patio Remains in plan check Status.	Corrections. 9-5-14. WM.	BC-Returned for corrections 9/8/14.	NRR		
20	Meisterlin	315 Morro Bay Blvd.	4/27/16	B30275	Commercial Alteration-Handicap restroom. Remains in plan check Status.	Approved 9/25/14. CJ.	Plansw approved 9-30-2014 bc	RPS returned for corrections per memo of		
21	Bunker	491 Panay	4/27/16	B30777	203sf interior remodel to existing 1144sf two story SFR. Remains in plan check Status.			PN- Approved 12/16/15		
22	Dennis	290 Piney	4/27/16	B-30382	New SFR. Remains in plan check Status.	Under review 2/26 JG. Waiting for conditions of approval to be included in plan set. 3/5 JG Approved 3/17 JG	Permit Issued 8-24-2015 cdl	ME approved 4/16/2015		
23	Frye	244 Shasta	4/27/16	B-29910	Garage to Second Unit conversion. Remains in plan check Status.	KM - Needs to comply with or amend existing CDP. 2006 Planning permit modified to allow non-conforming structure. No activity since 2014 on this building permit.	BC- on hold pending planning process.	BCR-approved 5/13/13		
24	Dolezal	1885 Sunset	4/27/16	B-30758	Lot 6: New SFR with 1140sf and 480 garage. Remains in plan check Status.	Disapproved 2-4-16. Corrections needed. CJ.		PN- Disapproved per memo 12/17/15		
25	Dolezal	1889 Sunset	4/27/16	B-30757	Lot 5: New SFR with 1140sf with 480 garage. Remains in plan check Status.	Disapproved 2-4-16. Corrections needed. CJ.		PN- Disapproved per memo 12/17/15		
26	Dolezal	1893 Sunset	4/27/16	B-30756	Lot 4: New SFR with 1140sf living and 480sf garage. Remains in plan check Status.	Disapproved 2-4-16. Corrections needed. CJ.		PN- Disapproved per memo 12/17/15		
27	Dolezal	1897 Sunset	4/27/16	B-30753	Lot 1: New SFR with 1140sf living and 480sf garage. Remains in plan check Status.	Disapproved 2-4-16. Corrections needed. CJ.		PN- Disapproved per memo 12/17/15		
28	Dolezal	1901 Sunset	4/27/16	B-30754	Lot 2: New SFR with 1541sf living and 483sf garage. Remains in plan check Status.	Disapproved 2-4-16. Corrections needed. CJ.		PN- Disapproved per memo 12/17/15		
29	Dolezal	1905 Sunset	4/27/16	B-30755	Lot 3: New SFR with 1457sf living and 480sf garage. Remains in plan check Status.	Disapproved 2-4-16. Corrections needed. CJ.		PN- Disapproved per memo 12/17/15		

Planning Projects & Permits with Final Action:

1	SLCUSD	235 Atascadero	7/20/15	CP0-485 / UP0-427	CDP & CUP for new pool and student services building at Morro Bay High School	Under initial review. Incomplete letter sent. Resubmitted 9-10-15. Incomplete letter sent 10-9-15. CJ.. Resubmittal received 10-27-15. Project review complete. Initial study/ environmental review in process. MND routed - review period 3/4 to 4/4/16. Comment letter received from APCD re MND				cj
2	Loe	2585 Ironwood Ave	2/19/16	CP0-499	<b>Admin CDP for a a 551sf secondary dwelling unit.</b>	Under Initial Review. Partial resubmittal req'd. Resubmittal received. Fire comments received. Ready to notice. Permit issued 4/26/2016				jg



Specific Plan overlay (R-2/PD/SP) This project is located in the Coastal Commission appeal jurisdiction.

**CEQA Determination:** Categorically Exempt, Section 15303(a), Class 3

**Staff Recommendation:** Conditionally Approve

**Staff Contact:** Whitney McIlvaine, Contract Planner, (805) 772-6211

**Case No.:** #CP0-470 and #UP0-415

**Site Location:** 1149 West Avenue, Morro Bay, CA

**Project Description:** Continued review of a request for a Coastal Development Permit and Conditional Use Permit to demolish a 1,100 square-foot residential structure and construct a new two-story, 2,805 square-foot dwelling, with an attached 580 square-foot garage and 277 square feet of upper level deck area on a vacant 6,774 square-foot bluff top lot on the westerly side of West Avenue within the Beach Street Specific Plan area. The property is zoned Duplex Residential with a Planned Development and Specific Plan overlay (R-2/PD/SP) This project is located in the Coastal Commission appeal jurisdiction.

**CEQA Determination:** Categorically Exempt, Section 15303(a), Class 3

**Staff Recommendation:** Conditionally Approve

**Staff Contact:** Whitney McIlvaine, Contract Planner, (805) 772-6211

#### COMMISSIONERS DISCLOSURE OF EX PARTE COMMUNICATIONS – NONE

McIlvaine presented staff report.

Chairperson Tefft opened Public Comment period.

<https://youtu.be/RYPQMibOnPU?t=19m49s>

Chuck Stevenson, agent for A.J. Wright and Bill Merrifield, presented his report to the Commission. He stated the archeologist did not find anything on site. Also went over other items concerning the project; type of materials being used on the structure, retaining wall, draining and landscaping. Stevenson also noted there was no issues with the conditions of approval.

Peter Behman, owner and operator of Bay Front Inn and Frankie and Lola's Café, stated there was no inspection done on the retaining wall. Behman stated his concerns regarding the run off from the property coming onto his property. Behman also noted the hours of construction and if there would be some consideration since there are hotels in the project area.

Chairperson Tefft closed the Public Comment period.

<https://youtu.be/RYPQMibOnPU?t=49m33s>

Chairperson Tefft opened Public Comment period.

<https://youtu.be/RYPQMibOnPU?t=56m12s>

Behman stated there wasn't anything in place for the water to flow into so the water run off flows downhill to his property. Behman feels since the drainage will affect his property, he should be able to see what type of drainage plan will be put in place.

Stevenson stated he has no problem showing the plans to Mr. Behman. Stevenson also stated they are not licensed engineers nor licensed engineering geologist. He noted the proper thing would be to let the engineers work on the drainage issue.

Frederick Joseph Beam, Morro Bay resident stated the structure is a two-story building being built on a sand bluff. Beam believes the structure will put a lot of weight on the sand and noted the same problem occurred when they built the Tower of Pisa. Beam noted he is also concerned about the people living below the project.

Stevenson stated they do not know what the integrity of the wall is. Stevenson noted the project does not affect that area.

Chairperson Tefft closed the Public Comment period.  
<https://youtu.be/RYPQMibOnPU?t=1h1m4s>

Chairperson Tefft opened Public Comment period.  
<https://youtu.be/RYPQMibOnPU?t=1h36m29s>

Bill Merrifield, applicant, spoke about the fencing around the property. Merrifield stated he and the neighbor on the south of the property intend to have a 6 feet fence, but only between the structures. A 3 feet wall in the back will be placed 15-20 feet from the bluff for privacy. Merrifield also noted the water usage for the property has been taken into consideration.

Stevenson stated he will be working with a landscape designer to pick plants that will soften the structure. Stevenson noted they have no interest in building up the height of the wall along the bluff.

Chairperson Tefft closed the Public Comment period.  
<https://youtu.be/RYPQMibOnPU?t=1h41m14s>

**MOTION:** Commissioner Luhr moved to approve Resolution PC 05-16 with added conditions of concerns regarding drainage, notification of neighbor and prohibition of gating the driveway. Commissioner Lucas seconded.

Commissioner Sadowski discussed the surcharge to the neighbor's wall with McIlvaine. McIlvaine stated she added language to Public Works condition # 2.

**AMENDED MOTION:** Commissioner Luhr amended his motion and Commissioner Lucas amended his second, and motion passes (4-0).

**MOTION:** Commissioner Luhr moved to approve previous conditions for Resolution PC 06-16 with added conditions of concerns regarding drainage, notification of neighbor and prohibition of gating the driveway. Commissioner Lucas seconded and the motion passes unanimously (4-0).

C. NEW BUSINESS

**C-1 Design Guideline Discussion – 6-Month Review.**

<https://youtu.be/RYPQMibOnPU?t=2h4m5s>

Graham presented staff report and updated the Commissioners on the status of the Design Guidelines.

D. UNFINISHED BUSINESS - NONE

E. PLANNING COMMISSIONER COMMENTS

<https://youtu.be/RYPQMibOnPU?t=2h33m41s>

Chairperson Tefft commented on how he liked the City Council staff report and how the process of running the meeting was handled.

Commissioner Luhr needed clarification on the mobile home and asked for status on the Haul-Out status.

Commissioner Luhr asked staff about the development on the Embarcadero eel grass.

Commissioner Sadowski discussed the need to hold polluters accountable.

Chairperson Tefft asked staff for an update on the Code Enforcement Department and their activity.

F. COMMUNITY DEVELOPMENT MANAGER COMMENTS

Graham reviewed Resolution 04-16 with the Commissioners.

G. ADJOURNMENT

The meeting adjourned at 11:00 p.m. to the regular Planning Commission meeting at the Veteran's Memorial Building, 209 Surf Street, on February 2, 2016, at 6:00 p.m.

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Robert Tefft, Chairperson

ATTEST:

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Scot Graham, Secretary

ACTION MINUTES – MORRO BAY PLANNING COMMISSION  
REGULAR MEETING – FEBRUARY 2, 2016  
VETERANS MEMORIAL BUILDING – 6:00 PM

PRESENT:	Robert Tefft	Chairperson
	Michael Lucas	Commissioner
	Richard Sadowski	Commissioner
	Gerald Luhr	Commissioner
	Joe Ingraffia	Commissioner
STAFF:	Scot Graham	Community Development Manager
	Joan Gargiulo	Assistant Planner

ESTABLISH QUORUM AND CALL TO ORDER  
MOMENT OF SILENCE / PLEDGE OF ALLEGIANCE  
PLANNING COMMISSIONER ANNOUNCEMENTS  
<https://youtu.be/FOPTRsbxcFg?t=2m57s>

ELECTION OF PLANNING COMMISSION CHAIRPERSON  
<https://youtu.be/FOPTRsbxcFg?t=4m5s>

**MOTION:** Commissioner Lucas moved to approve Commissioner Tefft as the Planning Commission Chairperson. Commissioner Luhr seconded and the motion passed (4-0, Tefft abstained).

ELECTION OF PLANNING COMMISSION VICE-CHAIRPERSON  
<https://youtu.be/FOPTRsbxcFg>

**MOTION:** Commissioner Lucas moved to approve Commissioner Luhr as the Planning Commission Vice-Chairperson. Chairperson Tefft seconded and the motion passed (4-0, Luhr abstained).

PUBLIC COMMENT PERIOD – Jayme Brunson, Morro Bay resident, stated she lost her cat and gave the public information on how to contact her if the cat is found.

Chairperson Tefft closed the Public Comment period.  
<https://youtu.be/FOPTRsbxcFg?t=7m33s>

PRESENTATIONS – NONE

A. CONSENT CALENDAR  
<https://youtu.be/FOPTRsbxcFg?t=7m39s>

A-1 Current and Advanced Planning Processing List  
**Staff Recommendation:** Receive and file.

Commissioner Luhr commented on 379 Orton Street, and notified the public there will be a discussion regarding the mobile home requirement at a later date. Commissioner Luhr also noted this will not be noticed and asked if the public is interested, they could file an appeal on the building permit.

**MOTION:** Commissioner Lucas moved to approve Consent Calendar. Commissioner Ingraffia seconded and the motion passed unanimously (5-0).

B. PUBLIC HEARINGS

<https://youtu.be/FOPTRsbxcFg?t=9m57s>

B-1 *Continued from the 1/5/2016 Planning Commission Meeting*

**Case No.:** #UP0-433

**Site Location:** 430 Olive Street, Morro Bay, CA

**Proposal:** Conditional Use Permit approval for a 500 sq. ft. addition to an existing 2,212 sq. ft. nonconforming single-family residence in the R-1 Residential Zoning District.

Specifically, the Applicant proposes to extend the existing living room, bedroom, and bathroom into the existing patio space. The project is located outside of the Coastal Commission Appeals Jurisdiction.

**CEQA Determination:** Categorically Exempt, Section 15301, Class 1

**Staff Recommendation:** Conditionally Approve

**Staff Contact:** Joan Gargiulo, Assistant Planner, (805) 772-6270

COMMISSIONERS DISCLOSURE OF EX PARTE COMMUNICATIONS – NONE

Chairperson Tefft recused himself due to he lives within 500 feet of the project. Chairperson Tefft turned the item over to Vice-Chairperson Luhr.

Gargiulo presented staff report.

Vice-Chairperson Luhr opened the Public Comment period.

<https://youtu.be/FOPTRsbxcFg?t=15m50s>

Jerry Krafton, applicant stated he was there to answer any questions.

Vice-Chairperson Luhr closed the Public Comment period.

<https://youtu.be/FOPTRsbxcFg?t=17m57s>

**MOTION:** Commissioner Lucas moved to approve PC Resolution PC 05-16. Commissioner Sadowski seconded, and motion passes (4-0).

<https://youtu.be/FOPTRsbxcFg>

C. NEW BUSINESS

<https://youtu.be/FOPTRsbxcFg?t=28m46s>

C-1 Discussion of City Annual Water Equivalency Unit (WEU) Program - *no staff report*

Graham stated he was unable to put together a staff report but will have a report ready for the next Planning Commission Meeting.

A discussion was held between the Commissioners & staff on the WEU Program.

Chairperson Tefft opened the Public Comment period and seeing none, closed the Public Comment period.

<https://youtu.be/FOPTRsbxcFg?t=36m3s>

D. UNFINISHED BUSINESS - NONE

E. PLANNING COMMISSIONER COMMENTS

<https://youtu.be/FOPTRsbxcFg>

Commissioner Lucas asked staff if the City was giving credit to people who cut down on their water usage.

Graham responded the practice is not currently in the City's Green Incentive Program but staff will be looking to this into the program.

Chairperson Tefft asked staff if a gray water system would help in the reduction of water usage.

Graham responded it could help, but no one has asked about it.

Commissioner Sadwoski stated the gray water system would help reduce the amount that flows into the Wastewater System. Commissioner Sadwoski also noted the City is reviewing another site for the new Wastewater Treatment Plant.

Chairperson Tefft recommended reading the article in this month's Western City Magazine regarding Sign Ordinance.

F. COMMUNITY DEVELOPMENT MANAGER COMMENTS

<https://youtu.be/FOPTRsbxcFg?t=42m28s>

Graham reminded the Commissioners the Coastal Commission Meeting will be next week on February 10<sup>th</sup> – 12<sup>th</sup>.

Commissioner Sadoski also noted there will be a meet & greet dinner the night before the meeting, held at the Inn of Morro Bay, at 6 p.m.

G. ADJOURNMENT

The meeting adjourned at 6:45p.m. to the regular Planning Commission meeting at the Veteran's Memorial Building, 209 Surf Street, on February 16, 2016, at 6:00 p.m.

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Robert Tefft, Chairperson

ATTEST:

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Scot Graham, Secretary



AGENDA NO: B-1

MEETING DATE: May 3, 2016

## Staff Report

**TO: Planning Commissioners**

**DATE: April 26, 2016**

**FROM: Cindy Jacinth, Associate Planner**

**SUBJECT:** Coastal Development Permit (CP0-404) and Conditional Use Permit (UP0364) for new construction of an approximate 1,400 sf restaurant located at 1840 Main Street.  
*REQUEST FOR CONTINUANCE*

**RECOMMENDATION:**

Staff recommends that the Planning Commission open the public hearing to hear any testimony on the proposed project and then continue this project to the May 17, 2016 Planning Commission meeting for review and discussion at that time.

**REASON FOR CONTINUANCE:**

The project was not fully noticed as a legal public hearing due to an error in the newspaper required noticing language, and therefore staff is requesting that the Planning Commission continue the project to the May 17, 2016 meeting in order to meet the City's requirements for a duly noticed public hearing.

Prepared By:  CJ  Department Review:  SG



AGENDA NO: B-2

MEETING DATE: May 3, 2016

## Staff Report

**TO:** Planning Commissioners **DATE:** April 26, 2016  
**FROM:** Whitney McIlvaine, Contract Planner  
**SUBJECT:** Council directed change to Ordinance 601, a Local Coastal Program and Zoning Text Amendment A00-029 to Sections 17.48.320 (Secondary dwelling units) and 17.48.315 (Guesthouses/quarters and accessory living areas), as well as other sections of the zoning ordinance for internal consistency.

### **RECOMMENDATION:**

Forward a recommendation of approval to the City Council regarding incorporation of a grandfather clause into Ordinance 601 to allow existing permitted secondary dwelling units with active vacation rental licenses to continue operation.

### **BACKGROUND:**

On February 16, 2016, the Planning Commission approved Resolution PC 01-16, recommending City Council approve amendments to Title 17 of the Morro Bay Municipal Code (the Zoning Ordinance) regarding review procedures and development standards for secondary dwelling units and guesthouses / accessory living areas.

On March 22, 2016, City Council approved a first reading of Ordinance 601 on a vote of 3 to 1, with Mayor Irons recusing himself and Council member Headding voting no. As approved during the first reading, the section prohibiting use of secondary dwelling units as vacation rentals was deleted along with related findings for the prohibition.

At the second reading of the ordinance on April 12, 2016, the City Council decided that secondary dwelling units did offer one of the best and only ways for the City to accommodate more affordable housing, and voted to support the prohibition on using secondary dwelling units as vacation rentals with an added provision to allow existing permitted secondary dwelling units with an active vacation rental license to continue operation (on a vote of 4 to 1, with Mayor Irons recusing himself). The City Council also directed staff to return the ordinance to the Planning Commission for review and consideration of an added grandfathering clause.

Prepared by: WM

Department Review: SG

**DISCUSSION:**

**Grandfather Clause:**

Currently there are very few permitted secondary dwelling units licensed for vacation rentals; staff estimates no more than five. However, Council members felt it was important not to penalize those who have permitted secondary dwelling units and have obtained a license to offer them as vacation rentals. In order to allow an exception for existing permitted secondary dwelling units with active vacation rental licenses to continue operation, staff recommends the following added provision, shown in italics:

**H. Prohibited Use as Vacation Rental.**

*Secondary dwelling units shall not be rented as vacation rentals. Public notice of applications for secondary dwelling units shall clearly state within the description of the project that they may not be used as vacation rentals.*

- 1. Exemption. Each legal conforming secondary dwelling unit for which the City has issued a valid business tax certificate prior to March 1, 2016, for use of that unit as a vacation rental, may continue to be used as a vacation rental, provided the business tax certificate has remained valid continuously from that date. If the business tax certificate is not kept valid, said secondary dwelling unit shall no longer be exempt from prohibition of use as a vacation rental.*

**Coastal Commission Staff Comments:**

Prior to the first reading of the ordinance, Coastal staff commented that both secondary dwelling units and guesthouses actually require a regular coastal development permit in the appeal jurisdiction, rather than an administrative coastal development permit as originally recommended by City staff and the Planning Commission. (State law still prohibits requiring a public hearing for the initial action on a secondary dwelling unit application.) Sections in Exhibit A related to permitting have been changed consistent with this comment.

Initially Coastal staff also had expressed concerns with prohibiting the use of secondary dwelling units as vacation rentals and requested the issue be more fully discussed. Based on the information presented regarding the array of visitor serving overnight options (900 hotel rooms, 160 licensed vacation rentals, two State parks with camping facilities, numerous second homes) and the fact that secondary dwelling units offer one of the best ways for the City to accommodate affordable housing, Coastal staff has since indicated they do not object to the prohibition, especially since the proposed ordinance allows the

few existing secondary units currently being used as vacation rentals to continue.

**PUBLIC NOTICE:**

Notice of this item was published in the San Luis Obispo Tribune newspaper on April 23, 2016 as a 1/8 page notice meeting the legal requirements for projects affecting over 1,000 property owners.

**SUMMARY RECOMMENDATION:**

Adopt Resolution PC 14-16 which forwards a recommendation for approval to the City Council for amendments to the Zoning Ordinance regarding secondary dwelling units, guesthouses, and accessory living areas as shown in Exhibit A, attached to the resolution.

**ATTACHMENT:**

A: Resolution PC 14-16 with attached revised Exhibit A

## B-2

### ATTACHMENT A

#### RESOLUTION NO. PC 14-16

A RESOLUTION OF THE MORRO BAY PLANNING COMMISSION RECOMMENDING THE CITY COUNCIL APPROVE TEXT AMENDMENTS TO TITLE 17 OF THE MORRO BAY MUNICIPAL CODE TO ESTABLISH REVIEW PROCEDURES AND DEVELOPMENT STANDARDS FOR SECONDARY DWELLING UNITS AND GUESTHOUSES  
CASE NO.: A00-029 (Local Coastal Program/Zoning Ordinance Amendment)

**WHEREAS**, the Planning Commission of the City of Morro Bay conducted a public hearing at the Morro Bay Veteran's Hall, 209 Surf Street, Morro Bay, California, on May 3, 2016 for the purpose of considering Local Coastal Program/Zoning Ordinance Amendment A00-029 to establish review procedures and development standards for secondary dwelling units and guesthouses citywide; and

**WHEREAS**, notices of said public hearing were made at the time and in the manner required by law; and

**WHEREAS**, the Planning Commission has duly considered all evidence, including the testimony of interested parties, and the evaluation and recommendations by staff, presented at said hearing; and

**WHEREAS**, it is the purpose of the Zoning Ordinance of the City of Morro Bay to establish a precise and detailed plan for the use of land in the City based on the General Plan; and

**WHEREAS**, it is important to have clear, consistent, and easy to interpret regulations within the Zoning Ordinance; and

**WHEREAS**, California Government Code §65852.2 encourages cities to establish standards to allow for ministerial secondary dwelling units so as to increase the supply of smaller, affordable housing while ensuring that they remain compatible with the existing neighborhood; and

**WHEREAS**, the General Plan Land Use Element includes residential objectives, which encourage creation of a variety of housing types for all income levels and housing needs; and

**WHEREAS**, Housing Element Policy H-10 (Secondary Units) states, "Allow for the development of secondary housing units as an affordable housing option throughout the city."

**NOW, THEREFORE, BE IT RESOLVED** by the Planning Commission of the City of Morro Bay as follows:

**SECTION 1: Findings.** Based upon all the evidence, the Commission makes the following findings:

California Environmental Quality Act (CEQA) Finding

1. For purposes of the California Environmental Quality Act, an Initial Study was prepared for the project which resulted in a Negative Declaration (State Clearing House number 2011101073). The Negative Declaration concluded that proposed text changes to the Local Coastal Program and Zoning Ordinance would not result in any significant adverse impacts

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to the built or natural environment. Nothing in the proposed revisions materially alters that conclusion.

### General Plan and Local Coastal Plan Consistency

1. The proposed amendments are in general conformance with the intent of the City General Plan and Coastal Land Use Plan because they forward the objectives of creating a variety of affordable housing types and, at the same time, ensuring protection of coastal resources.

### Exclusion of Secondary Dwelling Units in the CRR Zone

1. Due to the need to minimize traffic impacts, no secondary dwelling units shall be allowed in the CRR zone, pursuant to conditions of approval for the Cloisters development (CUP 28-90, CDP 42-90, and TM 01-90).

### Use of Secondary Dwelling Units as Vacation Rentals

1. Prohibiting the use of secondary dwelling units as vacation rentals will not have a significant adverse effect on available visitor serving facilities. Vacation rentals are allowed in all zones throughout the City. As of May, 2016 there are approximately 160 licensed vacation rentals and 900 motel rooms, in addition to 2 State parks with camping facilities and numerous second homes used for vacationing by families living outside the City.

**SECTION 2: Action.** The Planning Commission forwards a recommendation to the City Council to approve Local Coastal Program/Zoning Ordinance Amendment A00-029 as contained in Exhibit "A," attached hereto and made a part of this Resolution.

PASSED AND ADOPTED by the Morro Bay Planning Commission at a regular meeting thereof held on this 3rd day of May, 2016 on the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Robert Tefft, Chairperson

ATTEST

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Scot Graham, Community Development Manager

The foregoing resolution was passed and adopted this 3<sup>rd</sup> day of May, 2016.

**EXHIBIT A**

*The changes to the City’s Zoning Ordinance (Title 17), and Local Coastal Program are shown in underline for additions, while ~~strike through~~ indicates deletions. Plain text indicates existing zoning ordinance language to be retained. **Bold italics** indicate recommended general changes.*

CHAPTER 17.12 DEFINITIONS

**Delete Section 17.12.295, definition for “Granny Unit,” and replace with new definition for “Secondary Dwelling Unit” as follows:**

~~17.12.295~~ ~~GRANNY UNIT~~

~~“Granny Unit” means an attached or a detached residential dwelling unit which provides complete independent living facilities for one or more persons (accessory to a single family residence in specific zones permitting such use). It shall include permanent provisions for living, sleeping, eating, cooking and sanitation on the same parcel as the single family dwelling.~~

17.12.295 Secondary dwelling unit.

“Secondary dwelling unit” means a dwelling unit that (i) is detached from or attached to the primary residential dwelling unit, which provides complete independent living facilities for one or more persons, (ii) includes permanent provisions for living, sleeping, eating, cooking, and sanitation on the same lot as the primary residential dwelling unit and (iii) “second unit,” as set forth in Sections 65852.150 and 65852.2 of the California Government Code.

**Delete Section 17.12.300, definition for “Guesthouse,” and replace with new definition for “Guesthouse / Accessory living area” as follows:**

~~17.12.300~~ ~~Guesthouse.~~

~~“Guesthouse” means any attached or detached accessory building which does not have enclosed access directly to the interior of the principle residence, which has any bathroom facility and which does not contain a kitchen, cooking facilities, or food preparation or storage facilities, and where no compensation in any form is received or paid for use thereof.~~

17.12.300 Guesthouse / Accessory living area.

“Guesthouse / Accessory living area” means an attached or detached habitable area that is used in conjunction with a primary single-family dwelling on the same lot and may have bathroom facilities, but does not have enclosed access to the interior of that primary single-family dwelling and does not contain a kitchen or any cooking or food preparation facilities, nor more than one bedroom.

***In general, replace all references in the Zoning Ordinance to “granny unit” with “secondary dwelling unit”. This includes references in Chapter 17.44, Parking and Chapter 17.24, Primary Districts (discussed below).***

CHAPTER 17.24 PRIMARY DISTRICTS

***The following changes shall be made to the tables in the Chapter 17.24 in designated areas zoned for single-family and multi-family use:***

- In the AG, RA, R-1, R-2, R-3, and R-4 districts, delete the requirement for a minor use permit for secondary dwelling units that meet the applicable standards in Section 17.48.320 “Secondary Dwelling Units.”***
- In the AG, RA, R-1, R-2, R-3, and R-4 districts, delete the requirement for a minor use permit for guesthouses that meet the applicable standards in Section 17.48.315 “Guesthouse / Accessory living area.”***
- Delete references to “granny unit”.***

CHAPTER 17.48 GENERAL REGULATIONS, CONDITIONS AND EXCEPTIONS

17.48.315 ~~GUESTHOUSES/QUARTERS AND ACCESSORY LIVING AREAS~~  
Guesthouse / Accessory living area.

Where provided by this Title, guesthouses and habitable structures for accessory living areas may be permitted in conjunction with a ~~dwelling unit~~ primary single-family dwelling, subject to the below requirements:

A. ~~Guesthouse Restrictions.~~ Size.

A guesthouse / accessory living area shall not contain more than six hundred forty (640) square feet of habitable floor area ~~containing not more than one bedroom and bathroom~~ nor shall it exceed thirty (30) percent of the floor area of the primary single-family dwelling, and ~~no cooking or food preparation or food storage facilities shall be provided.~~

B. ~~Use-Permit Requirements.~~

~~A guesthouse may be permitted only after obtaining a Minor Use Permit pursuant to Chapter 17.60. In all cases, the Director shall require the recordation of a deed restriction limiting the use to guest purposes only and prohibiting its rental or occupation as a second unit. Such deed restriction shall be subject to the approval of the City Attorney. (Ord. 288 Exh. B (part), 1986; Ord. 263 § 1 (part), 1984)~~

1. Outside the Coastal Commission appeal jurisdiction, guesthouses and accessory living areas may be permitted only after obtaining an administrative coastal development permit pursuant to Chapter 17.58 “Coastal Development Permits and Procedures.”

2. In the CRR zone, a conditional use permit is required pursuant to Chapter 17.60.

3. Inside the Coastal Commission appeal jurisdiction, guesthouses and accessory living may be permitted only after obtaining a regular coastal development permit pursuant to Chapter 17.58 "Coastal Development Permits and Procedures."

C. Location.

Guesthouses and accessory living areas may be established on any lot zoned R-A, R-1, R-2, R-3, R-4, AG and CRR, with the required permit, in accordance with District Tables in Chapter 17.24, where a primary single-family dwelling has been constructed or is proposed to be constructed in conjunction with the guesthouse or living area. Only one guesthouse / accessory living area or secondary dwelling unit is permitted on the same lot; provided, that both may be permitted on any lot which is a minimum of 7,500 square feet in size, subject to approval of a conditional use permit. Guesthouses and accessory living areas are prohibited in the S.2B Overlay.

D. Development Standards.

Guesthouses and accessory living areas shall comply with all development standards applicable to the zoning of the site on which they are located, including, but not limited to, building height, separation, setbacks, and lot coverage, cumulatively with the primary residence.

E. Parking.

As part of the permit process, additional parking may be required for guesthouses and accessory living areas.

F. Design.

Guesthouses and accessory living areas shall be consistent and compatible with the architectural style of the primary single-family dwelling and the neighborhood, and shall be located on the same lot as the primary residence.

G. Covenant Agreement.

Prior to the issuance of any building or grading permit, a covenant agreement shall be recorded which discloses the structure's approved floor plan and status as a "guesthouse / accessory living area." That agreement shall be recorded in the Office of the County Recorder for San Luis Obispo County to provide constructive notice to future property owners. The covenant agreement also may contain authorization for inspections, and to allow the city, upon reasonable time and notice, to inspect the premises for compliance with the agreement and to verify continued compliance with requirements of this section and State and local health and safety codes.

H. No Separate Rental.

A guesthouse / accessory living area may not be rented separately from the primary single-family dwelling. Public notice of each application for a proposed guesthouse or an accessory living area shall clearly state within the project

description it may not be rented separately from the primary single-family dwelling on site.

I. Consistency with the Coastal Act.

Establishment of a guesthouse / accessory living area shall not adversely impact coastal resources such as public access and recreation, public views, and sensitive habitat areas.

17.48.320 ~~Granny Units~~—Secondary dwelling units.

The purpose of this Section is to provide affordable low- and moderate-income housing. Pursuant to ~~Government Code Section 65852.2, in zones where designated, a permit may be granted allowing a granny second unit on lots where there is one single-family residence, subject to the following provisions:~~ The following supplemental regulations are intended to comply with Government Code sections 65852.150 and 65852.2 on second units and implement the General Plan, by allowing secondary dwelling units subject to the following requirements. Nothing in Government Code sections 65852.2 or 65852.150 shall be construed to supersede or in any way alter or lessen the effect or application of the California Coastal Act, except that the City shall not be required to hold public hearings for coastal development permit applications for second units. (Government Code subsection 65852.2(j).) Noticing for interested parties and surrounding properties shall be the same as required for coastal development permits. An approval of any secondary dwelling unit in the California Coastal Commission appeal jurisdiction will continue to be appealable to the Coastal Commission.

~~A. Minor Use Permit and Deed Restriction Required~~

~~A granny second unit may be permitted only after obtaining a Minor Use Permit pursuant to Chapter 17.60. A deed restriction in a form approved by the City Attorney shall be recorded limiting the use of said real property to residential purposes only.~~

~~A.B. Location.~~

~~Said A secondary dwelling unit may be located, as an accessory use, on any lot zoned for single-family or multi-family uses zoned R-A, R-1, R-2, R-3, R-4, and AG, in accordance with District Tables in Chapter 17.24, where a primary single-family residential use has been established or is proposed to be constructed in conjunction with that unit. Only one guesthouse / accessory living area or secondary dwelling unit is permitted on the same lot; provided, that both may be permitted on any lot which is a minimum of 7,500 square feet in size, subject to approval of a conditional use permit. A secondary dwelling unit may be allowed on any lot zoned AG only if the unit is expressly designated and used for farm laborer quarters.~~

~~B.C. Lot Coverage Development Standards.~~

~~Maximum lot coverage allowed for the District that they are located in. Secondary dwelling units shall comply with all development standards applicable to the~~

zoning of the site on which they are located, including, but not limited to, building height, separation, setbacks, and lot coverage, cumulatively with the primary residence.

C.D. Design.

~~Said~~ A secondary dwelling unit shall be consistent and compatible with the architectural style of the main residence primary single-family dwelling and the neighborhood, and shall be located on the same lot as the primary single-family dwelling. All secondary dwelling units shall have a separate outdoor entrance in addition to any enclosed access to the interior of the primary single-family dwelling.

D.E. Size.

~~The total floor area, not including a garage, for a granny second unit shall not exceed 1,200 square feet.~~ The total floor area, including a garage, for a detached secondary dwelling unit shall not exceed the lesser of 900 square feet, as per State guidelines or fifty percent of the living area of the primary single-family dwelling on the same lot; provided, that up to 1,200 square feet, including a garage, may be allowed for a detached secondary dwelling unit with a Conditional Use Permit pursuant to Chapter 17.60 "Use Permits, Procedures, Notices and Variances." The floor area of an attached secondary dwelling unit shall not exceed thirty percent of the living area of the primary single-family dwelling.

E.F. Parking.

A minimum of one additional parking space per bedroom, not to exceed two spaces, shall be provided. The parking spaces may be open and uncovered and may be located in setback areas, however they may not be in tandem with the required parking of the primary single-family dwelling. When more than one space is required for a secondary dwelling unit, tandem spaces shall only be allowed for those two spaces with a Conditional Use Permit pursuant to Chapter 17.60. The primary single-dwelling unit must conform to the parking requirements of Chapter 17.44 "Parking, Driveway and Loading Facilities." Off-street parking shall be permitted in setback areas or through tandem parking, unless the following specific findings are made:

- ~~1. That parking in setback areas or tandem parking is not feasible based upon specific site topography constraints or adverse fire and life safety conditions, or~~
- ~~2. That it is not permitted anywhere else in the City.~~

G. Water Equivalencies and Other Public Facilities.

~~The developer shall obtain and/or pay for all applicable water equivalency and other public facility improvements at the standard set for an apartment unit prior to issuance of a building permit, but will not be subject to a residential unit allocation under the provisions of Measure F.~~

H. Compliance with Title 14.

A granny secondary dwelling unit shall be in conformance with all applicable provisions of Title 14 of the Morro Bay Municipal Code in addition to the applicable requirements for height, setback, lot coverage, etc. pursuant to the provisions of Chapter 17.24.

F. Water Service and Meter Requirements.

A separate water service and meter is required for detached secondary dwelling units pursuant to Title 13 of the Morro Bay Municipal Code. An attached secondary dwelling unit may be served by a separate water service and meter or may share the water service and meter with the primary single-family dwelling.

G. Permit Requirements.

1. No use permit shall be required for secondary dwelling units except as noted in this section and where a secondary dwelling unit is proposed as an addition to a nonconforming structure pursuant to Chapter 17.56 "Nonconforming Uses and Structures."

2. Outside the Coastal Commission appeal jurisdiction, an administrative coastal development permit, which does not require approval at a Planning Commission hearing but does require noticing, shall be required for secondary dwelling units.

3. Inside the Coastal Commission appeal jurisdiction, a regular coastal development permit, which does not require approval at a Planning Commission hearing but does require noticing, shall be required for secondary dwelling units.

H. Prohibited Use as Vacation Rental.

Secondary dwelling units shall not be rented as vacation rentals. Public notice of applications for secondary dwelling units shall clearly state within the description of the project that they may not be used as vacation rentals.

1. Exemption. Each legal conforming secondary dwelling unit for which the City has issued a valid business tax certificate prior to March 1, 2016, for use of that unit as a vacation rental, may continue to be used as a vacation rental, provided the business tax certificate has remained valid continuously from that date. If the business tax certificate is not kept valid, said secondary dwelling unit shall no longer be exempt from prohibition of use as a vacation rental.

I. Consistency with the Coastal Act.

Establishment of a secondary dwelling unit shall not adversely impact coastal resources such as public access and recreation, public views, and sensitive habitat areas.

J. Density.

A secondary dwelling unit, which conforms to the requirements of this section, shall not be considered to exceed the allowable density for the lot upon which it is located.

K. No Subdivision of Property.

The secondary dwelling unit shall not be sold separately and no subdivision of property shall be allowed where a secondary dwelling unit has been constructed, unless the subdivision meets all requirements of zoning and subdivision regulations. Nothing in this section shall prohibit joint ownership of the property where a secondary dwelling unit has been constructed.

L. Covenant Agreement.

Prior to the issuance of any building or grading permit, a covenant agreement shall be recorded which discloses the structure's approved floor plan and status as a "secondary dwelling unit." This agreement shall be recorded in the Office of the County Recorder for San Luis Obispo County to provide constructive notice to all future owners of the property. The covenant agreement also may contain authorization for inspections, and to allow the city, upon reasonable time and notice, to inspect the premises for compliance with the agreement and to verify continued compliance with requirements of this section and State and local health and safety codes.

M. Acceptance of Existing Secondary Dwelling Units.

1. Exemption. Each secondary dwelling unit that existed on or before March 1, 2016, ("Existing Secondary Dwelling Unit") and that meets the requirements of the Uniform Housing Code, as determined by the Building Inspector, on a lot that includes the required number of parking spaces for both the primary single-family dwelling and the secondary dwelling unit, is exempt from the unit size and design requirements of this section; provided that to be able to benefit from this exemption an Existing Secondary Dwelling Unit must be issued a timely Acceptance Certificate, as provided in subsection 2., below.

2. Acceptance Certificate Required. To obtain an Acceptance Certificate, an owner of an Existing Secondary Dwelling Unit must file an application with the Community Development Department for acceptance of the unit on or before [DATE]. (within two years of certification of this ordinance)

3. Application and Procedure. An application for a certificate timely filed must include a site and floor plan, documentation of ownership, additional materials as required to establish the approximate date the secondary dwelling unit was built, and a fee, as established by City Council resolution. Upon receipt of the application, the Building Inspector will schedule an inspection.

4. If the secondary dwelling unit meets basic health and safety standards as identified in the then current Uniform Housing Code, then an Acceptance Certificate will be issued and the secondary dwelling unit address will be entered into the City's database indicating the secondary dwelling unit is legal.
5. If the required inspection determines the secondary dwelling unit does not meet health and safety standards identified in the then current Uniform Housing Code, and it is brought into compliance within a period of not more than 12 months after the date of inspection, then an Acceptance Certificate will be issued and the secondary dwelling unit address will be entered into the City's database indicating the secondary dwelling unit is legal.
6. If the required inspection determines the secondary dwelling unit does not meet health and safety standards identified in the then current Uniform Housing Code, and it is not brought into compliance within a period of not more than 12 months after the date of inspection, then that unit shall be deemed an illegal non-conforming use and demolished within 6 months after notice from the City.
7. Notwithstanding the foregoing application, inspection and certification process, no person shall rent or occupy a secondary dwelling unit that fails to meet the standards required by the Uniform Housing Code.
8. A secondary dwelling unit, which receives an Acceptance Certificate, but does not meet site development standards, will be considered a legal nonconforming unit.

Chapter 17.58 COASTAL DEVELOPMENT PERMITS AND PROCEDURES

17.58.020(G) Additions to Single-Family Homes.

2.b. Regular coastal permit required for additions greater than ten percent of gross floor area, fences, garages, and other ancillary structures, including ~~secondary units~~ (secondary dwelling units) and guesthouses and accessory living areas.

17.58.020(I) Secondary Dwelling Units.

1. Outside the Coastal Commission appeal jurisdiction, an administrative coastal development permit, which does not require approval at a Planning Commission hearing but does require noticing, shall be required for secondary dwelling units.

2. Inside the Coastal Commission appeal jurisdiction, a regular coastal development permit, which does not require approval at a Planning Commission hearing but does require noticing, shall be required for secondary dwelling units.



AGENDA NO: C-1

MEETING DATE: May 3, 2016

## Staff Report

**TO:** Planning Commissioners **DATE:** May 3, 2016

**FROM:** Joan Gargiulo, Assistant Planner

**SUBJECT:** Interpretation of historic parking credits

### **RECOMMENDATION:**

Staff recommends the Planning Commission review and forward a recommendation to Council for memorialization of historic parking credits on the Embarcadero in addition to requesting that the Council direct evaluation of the overall Commercial parking program as part of the General Plan/Local Coastal Program update process.

### **BACKGROUND:**

The parking requirements as set forth in Section 17.44.020 of the Morro Bay Municipal Code require the provision of parking for the creation or enlargement of a structure or the intensification of a use. This section goes on to read “a change, expansion, or intensification of land use which would increase the number of parking spaces required as provided in this title shall be based only upon the number of spaces required for the change or expansion.”

The City’s adopted 2007 Parking Management Plan defines grandfathering as the practice allowed by the City for certain properties, uses, and activities that legally exist prior to the adoption of the Zoning Ordinance. It does not specify which area of town, nor does it specifically reference the Embarcadero area.

“Grandfathering’ is a commonly used tool that allows a city to retain some flexibility in how it wants to consider re-use proposals for existing land uses and buildings and, as such, can have a bearing on the extent to which the development community may be able to beneficially revitalize under-utilized, vacated, historical, or blighted sites and buildings. As an example, by employing the ‘grandfather’ practice, the City may elect to not apply current parking requirements for beneficial re-use of a historically important or community iconic building, because doing so may not allow the building to remain in its current configuration; thereby destroying its historical or iconic appearance, or may require the building to be removed altogether. With the ‘grandfathering’ tool, the City may be able to encourage or better-accommodate economic development of certain sites along with consideration of creative or

Prepared By: \_\_JG\_\_\_\_

Department Review: \_\_\_\_\_

equivalent alternate solutions to meeting or otherwise satisfying current parking requirements. In employing the ‘grandfather’ practice, the City is still obligated to address potential resulting environmental effects, or otherwise make findings required by law” (Pg. 64-65, 2007 Parking Management Plan).

### **DISCUSSION:**

The City Council has recently approved two consent of land owner authorizations for redevelopment of lease sites along the Embarcadero in addition to the direction provided by Council on April 26, 2016, to issue an RFP for redevelopment of a third lease site on the Embarcadero. Each of these lease sites are relying on the historic ‘grandfathered’ parking credits as memorialized in past permit approvals, City communications, staff reports, and other documents. The referenced lease sites include the Aquarium at 595 Embarcadero, Burt Caldwell’s Libertine at 801 Embarcadero, and Vi League’s Off the Hook project at 833 Embarcadero.

Historical research into the City’s past practices with regard to historic parking credits along the Embarcadero is itemized below:

#### **1. 801-833 Embarcadero**

- a. Parking Study** – A parking study was prepared in 2012 by City staff with regard to a proposed conference center project (Exhibit A). The conclusion of this study reads as follows:

“According to historical documents, it has been determined that 833 Embarcadero holds 58 parking credits, and 801 Embarcadero holds 79 credits. Conditional Use Permit UP0-212 for 801-833 Embarcadero implies that the site has a total of 10 Parking credits (which is less than the sum of both separate addresses,  $58+79=137$ ). Integration of the two sites for construction of the conference center will no longer occur, and therefore the sites should receive the individual credit historical documentation supports. 833 Embarcadero: 58 credits. 801 Embarcadero: 79 credits.”
- b. 801 Embarcadero** - Letter from Planning staff dated 9/20/2006 states a total 79 parking spaces are credited based on the previous uses and square footages approved via building permits. (This includes provision of 5 on-site spaces with 74 historic). This letter was written at the behest of the current lease holder, Burt Caldwell (Exhibit B).
- c. 833 Embarcadero** – Staff report written in 2007 (Exhibit C) for mixed-use restaurant/retail and lodging project references the retention of historic parking credits, Vi League, Applicant. A Planning Commission Memo regarding CUP-36-99 dated March 20, 2000 (Exhibit D) was written in response to Planning Commission directive for resubmittal of project plans. Discussion item #4 reads “It was agreed that the parking is sufficient due to parking credited to the site.” It appears that at one time, the City interpreted the historic parking credits to apply only to remodels as evidenced by a 2008 staff report (Exhibit E) written by the Planning Manager at the time: “the

Applicants are requesting the project be considered a remodel in order to retain the historic parking credits” (pg. 1).

2. **Other Site Review:** In addition to review of 801 and 833 Embarcadero, other review was done at 575/591 Embarcadero, 595 Embarcadero, 845 Embarcadero, 901 Embarcadero and 1185-1215 Embarcadero. Each of the properties, whether correspondence or staff report, all showed consistent application of the “grandfathering parking practice” where for example at 575/591 Embarcadero, the 10/17/2012 staff report, as paraphrased below, specifically recognizes parking credits retained from previous uses regardless of demolition:

“...It has been the practice of the City to interpret 17.44.020 to recognize the grandfathered parking from previous uses. This interpretation is to encourage and better accommodate economic development of commercial sites with limited parking opportunities and that have accommodated the parking in the surrounding area in the past.”

Also, Director correspondence to Applicant in 2012 for 575/591 Embarcadero also noted that “credits should be allocated from historic uses on the property even though the structures were proposed to be demolished.”

It should be noted that not all development on the Embarcadero utilized the grandfathering practice. Redevelopment of smaller sites such as 501 (Estero Inn) and 561 (Gray’s Inn) both paid in-lieu parking fees. The staff reports are silent on whether they did in fact have historic credit. In these 2 cases they provided some parking on-site and paid in-lieu for the balance. At 899 Embarcadero, the Anderson Inn, no increase in parking requirements were triggered because the proposed hotel and shopping area was deemed to be less intense than the previous use. Specifically, the parking requirements for the three lease sites noted above are summarized below:

1. **501 Embarcadero / Estero Landing** concept plan approved 2/21/2006 for mixed-use project with first floor as retail commercial and second floor with 6 lodging units. Required parking was a total of 11 spaces (4 retail +7 lodging). The project proposed 4 spaces on-site, with parking agreement for 3 spaces off-site and previous parking in-lieu payment for 4 spaces. (Exhibit F)
2. **561 Embarcadero / Grey’s Inn** approved CUP 07-92 precise plan on 2/16/1993 for expansion of existing commercial building 456sf second floor motel unit; 327sf addition to 2<sup>nd</sup> floor office and 400sf addition to 2<sup>nd</sup> floor for gallery and framing area, which as a condition of approval required \$12,000 in parking lieu fees. No discussion of parking credit is in the 2/16/93 staff report. The parking section is limited only to discussion of “working with the application for a payment schedule...for 3 in-lieu parking spaces.” (Exhibit G)
3. **899 Embarcadero / Anderson Inn** / CUP 25-03 approved 1/5/2003 for replace existing Galley restaurant with three commercial lease spaces and an 8 room inn. The staff report noted that the parking requirements were less because a hotel use has less

parking requirements than a restaurant use. The site had a portion of the parking partially on the street and partially on the lease site with arrangement proposed to be retained. Even with new commercial lease spaces, the overall parking requirement was less and project proposal deemed to be a net benefit. No parking in-lieu fees were required. (Exhibit H)

**CONCLUSION:**

Staff is aware that the Commission has voiced concern in the past regarding use of historical parking credits in association with development along the Embarcadero. However, at this time it is Staff's opinion that past practice has already been well established and current lessee's are relying on this past practice to develop plans for lease site redevelopment. Given the significant investment involved with lease site redevelopment and the fact that the grandfathered parking practice is fairly well documented, it does not seem reasonable to now change course 180 degrees and to require all development to either provide the requisite parking on site or to pay in lieu fees. In fact, the provision of onsite parking, for Embarcadero lease sites, is likely an undesirable feature as it would significantly reduce the availability of commercial lease space.

Based on the information provided above, it appears that the City's past practice has been to apply historic parking credits to new or remodeled projects on the Embarcadero. In fact, this practice has been memorialized through numerous City actions related to development applications on the Embarcadero and current lease holders are relying on this practice to develop current Concept plans for review by the Planning Commission and City Council.

It is also the case that not all Embarcadero development has been permitted through use of the grandfathering practice, and that staff has in fact worked with applicants in the past to show provision of parking or pay in-lieu fees. However, this is most likely due to the lack of evidentiary records related to parking, square footage and use.

It is staff's recommendation that the Planning Commission forward a recommendation to the City Council that both memorializes the practice of using grandfathered parking for lease sites along the embarcadero and recommends that the Council direct that Commercial parking requirements be addressed more holistically as part of the General Plan/Local Coastal Program/Zoning Code update.

**ATTACHMENTS:**

Exhibit A – Parking Study  
Exhibit B – Letter, 801 Embarcadero  
Exhibit C – 2007 Staff Report, 833 Embarcadero  
Exhibit D – 2000 Memo, 833 Embarcadero  
Exhibit E – 2008 Staff Report, 833 Embarcadero  
Exhibit F – 2006 Staff Report, 501 Embarcadero  
Exhibit G – 1993 Staff Report, 561 Embarcadero  
Exhibit H – 2003 Staff Report, 899 Embarcadero

# EXHIBIT A

## City of Morro Bay, CA 801-833 Embarcadero Parking Study

### Background:

833 and 801 Embarcadero are located within the Visitor Commercial zone exists along the bay front. Development has always been quite dense in this area, and many of the businesses in this area lack private parking lots. Instead, businesses rely on receiving parking credits for public street parking and public parking lots. This document catalogs historic parking requirements and parking credit allowances for the two sites.

### Summary of Historical Parking Information for 801-833 Embarcadero:

**1993, 833 Embarcadero, Bob's Seafood Fish & Chips Restaurant:** A letter dated February 2, 1993 includes required parking calculations, as well as information about the actual provided parking. The letter states, "We have based the following calculations of the most intensive uses legally occupying the building since 1977 known to the City."

#### Parking Requirements:

##### Historical Summary

Bob's Seafood Fish & Chips Rest. (2,200 SF) (1 space/60 SF; 2200/60)	37.7 spaces
Outdoor Patio Dining for Bob's Seafood (400 SF) (1 space/30 SF; 400/30)	13.3 spaces
Bob's Desserts (360 SF) (1 space/250 SF; 360/250)	1.4 spaces
Retail Space, Ground Level (415 SF) (1 space/250 SF; 415/250)	1.7 spaces
Office Space, Upper Level (1,120 SF) (1 space/300 SF)	<u>3.7 spaces</u>
<b>TOTAL PROVIDED SPACES</b>	<b>58 Spaces</b>

##### Current Summary

Bob's Seafood Fish & Chips Rest. (1,970 SF) (1 space/60 SF; 1,970/60)	32.8 spaces
Outdoor Patio Dining for Bob's Seafood (400 SF) (1 space/30 SF; 400/30)	13.3 spaces
Retail Space, Ground Level (775 SF) (1 space/250 SF; 775/250)	3.1 spaces
Office Space, Upper Level (1,120 SF) (2 space/tenant)	<u>3.7 spaces</u>
<b>TOTAL REQUIRED SPACES</b>	<b>53 Spaces</b>

The calculation indicates a surplus of five (5) parking spaces available for future development. All of the calculations indicate use of the outdoor enclosed patio which appears to not be in use. By indicating in writing and formally amending your lease agreement to not use the patio for dining, then an additional 0.95 WEU's and 13 parking spaces could be provided.

In response to the number of seats indicated in your letter (190-200 seats), we researched the occupancy enforced when the building was constructed in 1971 which was based on an open seating (no fixed booths) floor plan. The occupancy permitted at this time was 1 person per 15 sq. ft., the same as the current building code.

# EXHIBIT A

**1998, 833 Embarcadero, Outrigger Restaurant, Barnacles Retail:** A letter dated June 16, 1998 discusses the two previous mentioned letter from February 2, 1993. In regards to the June 16, 1998 letter, the writer states, "This memo is intended to provide a revised current summary of uses approved for operation as of June 16, 2998, and the remaining credit available to the site."

Business Name	Use	Square Footage	Parking Required	WEU Required
Outrigger	Restaurant	2,200* sf total 1,970* sf Cust. Serv	1/60 cust. serv. area = 32.8 spaces	2.06/1,000 sf of total area = 4.53 weu
Barnacles	Retail	775 sf	1/300 = 2.58	.15/1000 sf = .12 weu
			<b>35.38 spaces= 35 sp</b>	<b>4.65 weu</b>
<b>TOTALS</b>				
<i>Remaining Onsite Credit</i>			<i>23 spaces</i>	<i>7 weu</i>

Minor Use Permit No. 11-98 is on file to convert a 337 sq.ft. area within the existing building between the retail use and restaurant use to a sandwich shop. This area was previously recorded as a minor food service use known as Bob's Desserts. The re-establishment of a minor food service use within this area, with 168 sq.ft. of customer service area is as follows: .14 weu (.43/1,000 sf); and 3 parking spaces (1sp/60 sf customer service area)

\* These numbers reflect the file record of the current gross floor area and customer service area of the restaurant. Previous determinations were based on floor area or seat counts whichever were greater. Current determinations for food service use are based on gross floor area for water and customer service area for parking.

**1998, 833 Embarcadero, Minor Use Permit to Re-establish outdoor dining use, reconstruct a deck and ramp, and replace existing windscreen:**

There are two planning conditions associated with this permit that relate to parking:

"8. In accordance with MBMC Chapter 17.44, a minimum of 4 spaces (520 sq ft. at 120 sq. ft./space) are required to serve the approved use. The site has a historical credit of 58 parking spaces. The required parking for the site is 44 spaces, with 16 spaces remaining as a credit (58-42)."

Between the 5 different uses at the site, the conditions state that the current demand is 42 spaces. The breakdown between uses was reported as follows: Outrigger – 32.8, Outrigger Open Dining Deck – 4.3, Jitter Joe's Sandwich Shop – 3. Hot Lick's Retail – 1.46, Vacant Office Space – 0.

# EXHIBIT A

## 1999, Letter from Assistant Planner Scott Miskewycz regarding Parking Credits:

Business Name	Area	Type of Use	Parking	WEU
The Outrigger	1970 square feet	Restaurant	32.08 spaces*	9.17 weu*
No Name	336 square feet	Coffee Shop	3.00 spaces 1 space per 60 sf of customer service area	0.14 weu 0.43 weu / 1000 sf
No Name	416 square feet	Retail	1.38 spaces 1 space per 300 sf	0.06 weu 0.15 weu / 1000 sf
<b>Totals</b>			<b>36.46 spaces</b>	<b>9.37 weu's</b>

\* - Determined from February 1993.

The historic credits allocated to the site are:

**Parking Spaces: 58**  
**Water Equivalency Units: 11.62**

Thus, the remaining credits on site are:

**Parking Spaces: 21.54**  
**Water Equivalency Units: 2.25**

## March 20, 2000, 833 Embarcadero, CUP to allow conversion of site to a bed and breakfast on second floor with a handicap lift:

After the item was continued from the February 22<sup>nd</sup> meeting in 2000, the Planning Commission conditionally approved the project. Found in the minutes from the February 22<sup>nd</sup> meeting, it is apparent that some of the commissioners were concerned about parking. The staff report also claimed that parking near the site was "extremely limited given the density of the local businesses in the area." However, the staff report that was presented for the continuation of the item on March 20 states, "It was agreed that the parking is sufficient due to parking credited to the site." The staff and commissioners apparently decided that despite their concerns, the historical parking credits should be honored.

## September 20, 2006, Letter regarding parking credits for 801 Embarcadero:

In a letter to Wayne Stuart dated September 20, 2006, Senior Planner Mike Prater passed on the following information:

"Pursuant to your request on behalf of your client Burt Calwell to inquire about grandfathered or historical parking credits calculations for the Fish Bowl property, I have reviewed the City's historical records and determine the building you intend to occupy has a historical parking credit of 79 spaces based on the previously uses and square footages approved via building permits.

I will also be filing this letter for future reference. I should mentioned, Morro Bay Municipal Code Section 17.44.020 Parking Facilities states:

### Facilities Required

# EXHIBIT A

For every structure erected or enlarged, and for all land devoted to a **new use**, and for any structure or land **changed to a more intensive use** that would require the provision of more parking spaces over what already exists, off-street parking spaces shall be provided in accordance with the requirements and standards of this chapter, a change, expansion or intensification of land use which would increase the number of parking spaces required as provided in this title shall be based only upon the number of spaces required for the change or expansion.

Therefore, any new uses that precede the requirement for on-site parking will be counted and subtracted from the 79 credited historical parking spaces and any balance would be required to be met under today's code.

I based the historic credits on the type of uses and square footages you provided. The site would therefore have a parking space credit based on the code requirement for these uses. For retail and office uses, the current code requires one (1) space per 300 square feet of gross building area, for restaurant uses (1) space per 60 square feet of customer area. Additionally, the site provides for 5 on-site spaces. Based on this information, the total parking credit for this site is 79 spaces.”

## **September 15, 2008, 801-833 Embarcadero, Staff Report for Conference Center Concept Plan Proposal:**

The following statements regarding parking were presented in the staff report:

### “Parking

Since the project proposes to replace many of the existing uses (i.e. restaurant, commercial retail spaces and office space), there is no additional impact to parking than what exists now in the replacement of these uses. However, the added conference space and new boat slips generate more parking demand (87 spaces) and should be evaluated and measures put in place to ensure no significant impact occurs. The Planning Commission added a condition that requires the applicant to secure these 87 parking spaces during the times of any events conducted in the facility (i.e. weekdays and weekends during peak and non-peak season times including occasions when another event is held within the City).”

## **September 23, 2008, 801-833 Embarcadero, Conditional Use Permit UP0-212 for approval of Conference Center concept plan:**

The following condition of approval was included in the permit document:

33. The report also claims that the site for the proposed conference center has an historic parking credit of 110 spaces. TRANSPORTATION/CIRCULATION

# EXHIBIT A

- a. The applicant's shall secure the agreements with Bank of America and Rabobank or other private lots to maintain an additional 73 parking spaces.

## Conclusion:

According to historical documents, it has been determined that 833 Embarcadero holds 58 parking credits, and 801 Embarcadero holds 79 credits. Conditional Use Permit UP0-212 for 801-833 Embarcadero implies that the site has a total of 110 parking credits (which is less than the sum of both separate addresses,  $58+79 = 137$ ). Integration of the two sites for construction of the conference center will no longer occur, and therefore the sites should receive the individual credit historical documentation supports. 833 Embarcadero: 58 credits. 801 Embarcadero: 79 credits.

# EXHIBIT A

# EXHIBIT B

Wayne Stuart  
MW Architecture, Inc  
225 Prado Road Ste G  
San Luis Obispo, Ca. 93401

September 20, 2006

RE: Parking Credits – 801 Embarcadero

Dear Mr. Stuart:

Pursuant to your request on behalf of your client Burt Calwell to inquire about grandfathered or historical parking credits calculations for the Fish Bowl property, I have reviewed the City's historical records and determine the building you intend to occupy has a historical parking credit of 79 spaces based on the previously uses and square footages approved via building permits.

I will also be filing this letter for future reference. I should mentioned, Morro Bay Municipal Code Section 17.44.020 Parking Facilities states:

**Facilities Required**

For every structure erected or enlarged, and for all land devoted to a **new use**, and for any structure or land **changed to a more intensive use** that would require the provision of more parking spaces over what already exists, off-street parking spaces shall be provided in accordance with the requirements and standards of this chapter, a change, expansion or intensification of land use which would increase the number of parking spaces required as provided in this title shall be based only upon the number of spaces required for the change or expansion.

Therefore, any new uses that precede the requirement for on-site parking will be counted and subtracted from the 79 credited historical parking spaces and any balance would be required to be met under today's code.

I based the historic credits on the type of uses and square footages you provided. The site would therefore have a parking space credit based on the code requirement for these uses. For retail and office uses, the current code requires one (1) space per 300 square feet of gross building area, for restaurant uses (1) space per 60 square feet of customer area. Additionally, the site provides for 5 on-site spaces. Based on this information, the total parking credit for this site is 79 spaces.

If you need additional information please contact this department.

Sincerely,

Mike Prater,  
Senior Planner

# EXHIBIT C



## CITY OF MORRO BAY PLANNING COMMISSION

August 20, 2007

AGENDA ITEM: \_\_\_\_\_

ACTION: \_\_\_\_\_

### SUMMARY:

Mixed-Use Restaurant/Retail and  
Lodging

### CASE NUMBER:

UP0-153

### ADDRESS:

833 Embarcadero

### LEGAL DESCRIPTION

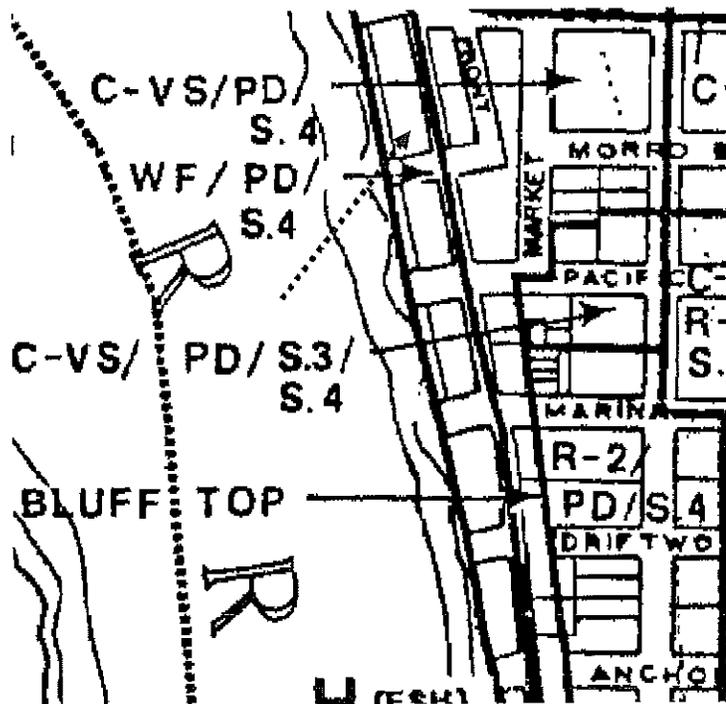
Lease Sites 87-88/87W-88W  
Outrigger

### APN

066-322-001

### APPLICANT:

Violet Leage  
833 Embarcadero  
Morro Bay, CA 93442



### ATTACHMENTS:

1. Findings, Exhibit A
2. Conditions, Exhibit B
3. Graphics/Plan Reductions, Exhibit C
4. Mitigated Negative Declaration, Exhibit D

### PROJECT SUMMARY

The applicant is proposing to demolish and replace the existing restaurant, floating dock and remove the outdoor dining while remodeling the front half of the building while keeping a commercial lease space on the first floor and adding six-unit inns on the second floor. The project will require the partial removal of the existing building along Embarcadero and the complete removal of the restaurant and deck/floating dock. The pilings supporting the dock will be lifted out of the seabed to minimize seabed scouring. On the street level the proposed project will include approximately 1,316 square feet of commercial lease space, along with a restaurant, fish market and additional space for bathrooms, elevator and stairs, for a total street level area of approximately 5,800 square feet. On the upper level are six inn rooms comprising approximately 4,000 square feet. The total building area is approximately 9,833 square feet with a footprint of 5,803 square feet. The applicant will also construct the required lateral access way along the bay frontage; this lateral access will provide limited access until the neighboring site is developed to connect for safe ingress/egress. The applicant is requesting the project be considered a remodel in order to retain the historic parking credits. The previous uses required 31 parking spaces and the new uses would generate a parking demand of 31 parking spaces creating a project net balance. This approach has been approved for nearby remodels.

# EXHIBIT C

## **STAFF RECOMMENDATION**

*CONDITIONALLY APPROVE THE PROJECT* by adopting a motion including the following action(s):

- A. Approve the Mitigated Negative Declaration (Exhibit D) in accordance with the applicable provisions of the California Environmental Quality Act (Public Resources Code 21000 et. Seq.), and adopt the Findings included as Exhibit "A", including findings required by the California Environmental Quality Act (CEQA).
- B. Approve Conditional Use Permit subject to the Findings and Conditions included as Exhibits A & B and the site development plans dated May 25, 2007.

## **ENVIRONMENTAL DETERMINATION**

A Mitigated Negative Declaration was posted on June 11, 2007 and ended on July 20, 2007 with two comments submitted; one from Heritage Commission and one from Toxic Control Board. These comments have been addressed in the final mitigated negative declaration where new mitigation was added to address valid concerns. The applicant has agreed to implement the mitigation measures proposed in the Negative Declaration. Staff recommends approving the Mitigated Negative Declaration (Exhibit D) in accordance with the applicable provisions of the California Environmental Quality Act (Public Resources Code 21000 et. Seq.), approve the development plans based on the findings in Exhibit A and Conditions in Exhibit B.

## **BACKGROUND**

The City of Morro Bay leases the site for visitor serving related uses that currently include a retail gallery, docks, restaurant, and coffee shop. The subject site is located in the waterfront (WF)/Harbor (H) districts and is zoned with a Planned Development (PD) Overlay. Pursuant to Section 17.40.030 of the Zoning Ordinance, all development on lands zoned with a PD Overlay requires conditional use permit approval. In cases where the site exceeds an acre, or the site is publicly owned, concept plans must be approved by both the Planning Commission and Council prior to final precise plan approval by the Planning Commission.

In 2000, the City issued a Conditional Use Permit for the conversion of the upstairs office/storage space into a 3-room Bed & Breakfast (B&B) establishment. That permit was voided when the previous applicant allowed the time limit to elapse. Subsequent to that permit, the current applicant resurrected the project and on April 5, 2004 the City approved a precise plan and issued a second permit to convert the upstairs space to a B&B. Since that time, the applicant has brought forward a new proposal to upgrade the entire site (if approved, then the B&B permit would be voided). During the review of the precise plan for the B&B the Planning Commission raised concerns about cleaning up the site with a master sign program, removing coin operated arcade toys, and opening view corridors to the maximum extent possible.

Conditions of approval required that the aggregate sign area on the site be reduced to not exceed ninety square feet. The applicant had partially complied with this condition by removing four (4) signs, but the remaining signs still exceed ninety square feet. A new master sign program will be proposed at the precise plan stage and conditions of approval will continue to require a maximum of ninety (90) square feet, unless the Planning Commission at the precise plan review decides to change it. Other conditions of approval required relocation of the existing doublewide bench along the Embarcadero such that it is at least five (5) feet from the front property line. The condition also required removal of a coin operated arcade toys such that no more than three (3) remained. The current proposal keeps all the arcade toys in

# EXHIBIT C

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the same location. Removal of the above ground transformer has already taking place and with this new proposal the staircase will be removed to open up public views.

## Waterfront Design Guidelines

The Waterfront area of Morro Bay has been divided into five sub-areas that due to their own unique characteristics require different types of planning and design responses. The proposed project site is in Area 3: Embarcadero Visitor Area (from Beach St. to South St. between the bluff and waterfront). The City has adopted a Waterfront Master Plan, which contains Design Guidelines to assist in evaluating the quality of a design submittal. The overall objective and design intent is to enhance the positive characteristics while improving the access and parking situation. As new buildings are built and older ones rehabilitated, they should be developed to offer physical and visual access to identified public viewsheds and provide pedestrian amenities. In addition, new development should not significantly change the scale of the area. Criteria has been developed for all projects that fall within this architectural overlay for view corridors, building heights, site design and parking, architectural design character and compatibility as well as public access to the water.

## Background Issues Specific to Area 3: Embarcadero Visitor Area

The public viewshed is defined as all areas of the bay, harbor, sandspit, and Morro Rock visible from the Embarcadero, the street-ends, public observation points, and the public right-of-way at the bluff top; but not including views from private property, businesses, or residences. The following are a list of concerns:

- Traffic congestion and inadequate parking for visitors and pedestrians, this inhibits exploration of the waterfront experience.
- A greater need for pedestrian access, space and amenities, including wider sidewalks, bicycle paths and increased opportunities for lateral access along the Bayfront.
- View protection at the street level by providing glimpses of the bay through buildings and along the bluff top to allow for visual access of the bay and rock.

## Planned Development Process

In essence, when a project lies within the Planned Development Overlay (PD) zone, the PD Overlay elevates the level of review for all development to the Planning Commission via a conditional use permit process. For projects located on public property (i.e., the waterfront or State Park), or on private property exceeding one (1) acre, the PD Overlay requires a heightened review process involving concept plans and precise plans and action by both the Planning Commission and City Council. The proposed project is subject to this procedural requirement because it is located on public lease site property.

The PD Overlay also allows flexibility from strict application of zoning standards, such as density and setbacks, where a better design or public benefit would result. As stated in Section 17.40.030(A) of the Zoning Ordinance, the purpose of the PD Overlay designation is:

*“to provide for detailed and substantial analysis of development on parcels which, because of location, size or public ownership, warrant special review. This Overlay Zone is also intended to allow for the modification of or exemption from the development standards of the primary zone which would otherwise apply if such action would result in better design or other public benefit.”*

The applicant is seeking flexibility to increase the height from 17-feet to 25-feet and reduce the second story setback to 9-feet rather than the required 10-foot.

# EXHIBIT C

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## *Surroundings & Characteristics*

<b>Site Characteristics</b>	
Site Area	~10,700 square feet
Existing Use	Visitor Serving
Terrain	Paved surface, gentle slope to bay
Vegetation/Wildlife	None
Archaeological Resources	No known resources

<b>Adjacent Zoning/Land Use</b>			
North:	Boatyard Complex	South:	Restaurant
East:	Vacant Lot	West:	Harbor

<b>General Plan, Zoning Ordinance &amp; Local Coastal Plan Designations</b>	
General Plan/Coastal Plan Land Use Designation	Mixed Use/ Harbor
Base Zone District	Waterfront (WF)/ Harbor (H)
Zoning Overlay District	Planned Development (PD)
Special Treatment Area	S-4
Combining District	N/A
Specific Plan Area	Waterfront Master Plan
Coastal Zone	Yes – Original Jurisdiction

## **ANALYSIS**

*Development Standards* The WF/PD/S.4 zoning standards and Waterfront Design Criteria are as follows:

<b>Development Standard</b>	<b>Proposed Plan</b>	<b>Ordinance Requirement</b>
<b>Setbacks:</b> <b>Rear:</b> <b>Side:</b> Interior Side: Exterior Side: <b>Front:</b>	35'  0' 0' over 5' average with 3' narrowest point & 9' second story	10'  0' 6' 5' average first floor 10' second
<b>Lot Coverage/Bulk &amp; Scale</b>	54% first floor 69% second	70% first floor with 70% of the first floor available to the Second
<b>Building Height</b>	25' with roof pitch of 4/12	25' maximum with 80% of all roofs having a minimum 4/12 pitch under PD Overlay so long as the viewshed is improved, or not diminished.
<b>View Corridors</b>	27' corridor (22' required area)	50' or more 30% min. view corridor
<b>Frontage Improvements</b>	8' sidewalk	8' or more sidewalks; street amenities
<b>Landscaping</b>	Street trees & planters	Section 17.48.290
<b>Parking/Driveways</b>	Net Balance of 31 parking spaces (via credits)  Demo/replace restaurant & docks remodel retail spaces  Parking Requirement Met	1/300 retail = 5 spaces  1/ each lodging room = 6 spaces + 1/ each 10 rooms = 1 Total of 7 spaces  1/60 restaurant = 17 spaces  1/35 linear feet of Boat Slip = 2 spaces

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## Site Plan & Design

### Uses and parking

The existing building consist of a 3,667 square foot restaurant space with 280 square feet of outdoor dining, one retail space of 1,510 square feet, and 1,510 square feet of storage/office space above the retail portion. The applicant proposes to demolish most of the site, however retaining a large portion of the retail structure, and replace the site with the same uses on the ground floor while adding a mixed-use element of lodging upstairs. The first floor would consist of 1,316 square-feet of retail space a slight reduction of 200 square feet to accommodate a wider sidewalk. Behind the retail space would be all new construction containing the restaurant space of 755 square feet of cooking and prep area, a new take out fish market of 168 square feet, 970 square feet of dining area, and other miscellaneous elements including restrooms, mechanical, elevators, etc. The outdoor dining area along with the space occupied by planters and staircase will be removed to create a public view corridor and public plaza seating area. The second floor will be all new construction consisting of 6 hotel units ranging from 415 square feet to 640 square feet. The building will be two-stories and requesting permission to increase the height to 25 feet above average natural grade. The water portion of the site will include a public lateral accessway and new gangway to a new side tie dock for two boats.

The site currently does not provide any parking on-site. The applicant has refined their proposal to create a balanced parking demand by reducing the retail space, removing the outdoor dining area, maintaining a side tie dock and reducing the restaurant space. If the site is considered to be remodeled and MBMC Chapter 17.44 is applied to all the existing and new uses where all square footages are calculated to determine the parking analysis demand, then a total of 31 parking spaces are required for the existing configuration of uses and 31 parking spaces are also required for the new configuration of uses. This is considered a net balance via credits. By far, the issues of parking and viewsheds are the greatest area-wide concern and the issues that draw the most complaints from residents and visitors. Parking for lodging patrons may find it difficult to reasonably park near their lodging unit. The applicant is evaluating several scenarios to ease this concern including valet parking, off-site agreement, and others. Since this proposal is starting the Concept Plan stage these scenarios can be addressed later unless the Planning Commission is considering requiring on-site parking. The viewshed concern is addressed by opening up a 27-foot wide corridor.

### Architecture

In staff's opinion the architectural design and character of the proposed mixed-use building is in keeping with the fishing village community and will add to the ambiance of the waterfront area. At the ground floor level, the facade is set back from the sidewalk to give a pedestrian feel with the second floor setback an additional 9 feet. Courtyards and balconies help define the shape and the use of materials is seen in the area. The second floor windows offer views of the Bay and overlook the plaza; entries into the retail spaces are from the courtyard. The wall surfaces are horizontal shiplap siding, with multilevel trim and built-up fascias.

### Public Views, Access, and Significant Benefit

The WF plan requires that public views be protected and enhanced by new development. The applicant is proposing a 25-foot high structure that will increase views of the Bay. The WF plan requires a 30% view corridor for lots greater than 50 feet in width. The proposed project will incorporate amenities such as a public courtyard with benches, architecturally interesting building, widening of the sidewalk.

Although the view corridor requirement specifies a liner dimension the guidelines allow the ability to offset this requirement provided the volume of space is increased. The examples given in the WF plan

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have been simplified for ease of illustration that represents a boxy structure in exchange for unobstructed views. The applicant has followed the unobstructed view criteria by providing a 27-foot wide corridor, however hopes they have achieved an interesting building form and not represented a boxy structure. Under this requirement the proposed project meets the required view corridor.

## Height

The Waterfront Master Plan allows for an increase in height above the 17-foot limit via a Conditional Use Permit in the Planned Development Overlay zone. The PD zone allows the Planning Commission to approve a 25-foot maximum height if significant public benefit can be achieved. The Commission must make the finding that the overall viewshed characteristics will be improved or, at a minimum, not diminished from the public viewing locations established within the WF plan. Additional requirements put on the project are as follows:

1. 80% of the roofs for both one and two stories portions shall be sloping with a minimum 4 in 12 pitch;
2. Incorporate view corridors between the buildings;
3. Encourage provision of public (non-customer) viewing areas of the bay and waterfront;
4. Regardless of any findings for significant public benefit, the maximum height cannot exceed 25 feet.

This particular proposal offers two of the three public benefits identified in the Waterfront Master Plan including: providing 4:12 pitch roofs, including elevator shaft not to exceed maximum height limit (at 25-foot), incorporating a public plaza within the twenty-seven (27) foot wide view corridor, and restrooms will be available to the public during business hours. Based on these identified public benefits staff believes the project meets the intent to increase the height limit over 17-feet. The decrease in one foot from the second floor setback may be easily achieved with further refinements as the project moves forward in the review process.

Additional benefits include creating wider sidewalks to increase pedestrian circulation, which is a much-needed public benefit. Creating a courtyard within the project, adding street trees, and creating architectural interest to a structure enhances the physical and visual experience of the Embarcadero and is a definite positive benefit along the Embarcadero. Additional lodging opportunities in the heart of the Embarcadero allows people to enjoy the waterfront after hours and see more of what Morro Bay has to offer and can add to the experience of visitors.

## Waterfront Design Guidelines Consistency

This project is consistent with the waterfront design guidelines. The applicant has prepared photographs indicating how the new project will relate to its surroundings. The project meets the area for view corridor. Lateral access will be provided, however limited public access will occur until the neighboring property connects to the boardwalk.

The applicant is requesting permission to extend the maximum building height to allow 25-foot maximum height that is permitted by the guidelines provided there is a public benefit provided by the project and that the overall viewshed characteristics will be improved or at a minimum not diminished from the public viewing locations. Staff is recommending the second floor setback be addressed to comply with the 10-foot requirement.

## Previous Conditions of Approval

The coin operated arcade toys are requested to remain, as they exist today. The previous approval requested the removal of one toy to provide greater public space and the double bench moved to widen the sidewalk in that area. The bench has been moved back and the proposal provides for ample public

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seating. Other conditions required the removal of signs to not exceed 90 square feet in total sign area. This topic will be further discussed at the Precise Plan stage.

## **POLICY AND CONSISTENCY ANALYSIS**

### *General Plan and Coastal Land Use Plan:*

Applicable Planning Policies	Consistency Analysis
<p><b><u>Safety Element:</u></b></p> <p><b><u>Program S-1.5 &amp; 8.2:</u></b> structural stability and erosion control.  <b><u>Program S-6.I:</u></b> soils report required.  <b><u>Program S-3.3:</u></b> smoke detectors required.  <b><u>Programs S-7.1-S-7.4:</u></b> Rainy Season Grading Restrictions, Sediment Basins, Erosion/Drainage Control</p>	<p>A standard condition of approval has been incorporated into the project pertaining to soils report, grading, drainage and erosion control.</p> <p>Smoke detectors will be required of the project.</p> <p>A standard condition of approval has been incorporated into the project pertaining to grading, drainage and erosion control.</p>
<p><b><u>Noise Element:</u></b></p> <p><b><u>Program N-1.3:</u></b> “New development of noise sensitive land uses shall not be permitted in areas exposed to existing or projected future levels of noise from transportation noise sources which exceed 0 dB, Ldn, CNEL unless the project design includes effective mitigation measures to reduce noise in outdoor activity areas and interior spaces to or below the levels specified in Table N-4.”</p> <p><b><u>Program N-1.4</u></b> Stationary noise sources.</p> <p><b><u>Program N-4.2-4.3</u></b> New development shall not create a new transportation or stationary noise source.</p>	<p>The project site is not exposed to significant transportation or stationary related noise sources. Standard ordinance provisions governing construction hours ensure that impacts on surrounding properties from construction noise will be minimized.</p> <p>The proposed use will not create a new transportation or stationary noise source.</p>
<p><b><u>Housing Element:</u></b></p> <p><b><u>Policy H-7:</u></b> Inclusionary requirement</p> <p><b><u>Policy H-19:</u></b> Energy Efficiency requirement</p>	<p>The project does not meet the threshold of 8-unit development. However, an impact fee of 30 cents a sqft. is collected for all new development.</p> <p>The project will be required to meet State energy requirements.</p>
<p><b><u>Circulation Element:</u></b></p> <p><b>Sidewalks:</b> Policies C-1-C-8  <b>Bikeways:</b> Policies C-9-C-12</p>	<p>Circulation element policies require standard curb, gutter and sidewalk improvements to adjoining</p>

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<p><b>Streets:</b> Policies C-13-C-20  <b>Parking:</b> Policies C-21-C-26  <b>Transit:</b> Policies C-27-32  <b>Harbor:</b> Policy C-33  <b>Utilities:</b> Policies C-34-C-38</p>	<p>public right-of-way as well as in-lieu payment for the project's pro-rata impact on area roads and intersections.</p>
<p><b>Program LU-15.1:</b> The Zoning Ordinance should encourage flexibility in the application of its development standards related to height, setbacks, and building coverage. In order that all of these development characteristics work together, rigid enforcement of any one or all of them can result in unimaginative development.</p> <p><b>Program LU-37.8:</b> Public rest areas should be incorporated into the street rights-of-way in Downtown and the Embarcadero. These areas should consist of benches, trash receptacles, drinking fountains, landscaping, information signing or kiosks and decorative paving and planters.</p>	<p>The applicant is seeking a height extension.</p> <p>The proposed project is providing wider sidewalks and benches and public courtyard.</p>
<p><b><u>Land Use Policies (LUP Chapter II)</u></b></p> <p><b><u>Visitor-Serving:</u></b></p> <p>“The visitor-serving land use category is especially important to the City since tourism is a significant contributor to the local economy. This category encourages concentration of tourist-intensive uses at major destination points in the City or at locations easily accessible to travelers along State Highway One. Visitor-serving uses that should be developed in those areas designated as such are hotels/motels, overnight RV facilities, restaurants, gift shops, goods and supply stores, commercial recreation and other uses typically found to accommodate tourist needs and activities.”</p>	<p>The project provides a mixture of retail commercial, visitor serving uses on the ground floor.</p> <p>The proposed Plan incorporates 6 lodging units on the second floor.</p>
<p><b><u>Access &amp; Recreation Element &amp; Shoreline Access &amp; Recreation /Coastal Access &amp; Recreation Policies (LUP chapter III)</u></b></p> <p><b><u>General Policies 1.01-1.07A; Access &amp; Recreation &amp; AR-9</u></b></p> <p><b><u>Policy 1.20 &amp; AR-20:</u></b> Lateral public access to the waterfront required across the bay ward portion of the site unless determined to be infeasible.</p> <p><b><u>Policy 1.26 &amp; AR-25:</u></b> “Lateral public access</p>	<p>The project is on the bay ward side of Embarcadero therefore lateral access is required.</p> <p>The project is on the bay ward side of Embarcadero</p>

# EXHIBIT C

833 Embarcadero  
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<p>along the waterfront revetment shall be provided in all new developments, rehabilitation or addition projects consistent with Policy 1.20 with public safety needs and the need to protect public rights, rights of private property held by leaseholders, and natural resource areas from overuse.”</p>	<p>the waterfront revetment does not need repairs however the dock and gangway will be replaced.</p>
<p><b><u>Coastal Visitor-Serving Facilities Policies (LUP Chapter IV)</u></b></p> <p><b><u>General Policies 2.01-2.02</u></b>  <b><u>Policy 2.03:</u></b> “... the Embarcadero between Beach Street on the north, Main Street on the east, Olive Street on the south and the waterfront area on the west, shall be considered a mixed commercial fishing and visitor serving recreation use area. With regard to the siting of new developments, priority shall be given for coastal-dependent uses located on the west side of the Embarcadero.”</p> <p><b><u>Policy 2.08:</u></b> provision of off-street parking is sufficient to serve the development’s peak demands.</p>	<p>The project is located on the west side of the Embarcadero and primarily for visitor serving use.</p> <p>The applicant is working on a parking plan to provide hotel guest the opportunity to drop-off and pick-up luggage.</p>
<p><b><u>Public Works (LUP Chapter V)</u></b></p> <p><b><u>Policy 3.01:</u></b> The City of Morro Bay shall approve future growth in conjunction with water and sewage treatment availability.</p> <p><b><u>Policies 3.02-3.06:</u></b> In the City of Morro Bay water allocation, the City shall insure the following uses receive priority for available water and wastewater treatment facilities:          Commercial Fishing / Agriculture          Coastal-Dependent Land Uses          Coastal-Related Land Uses          Public Services and Basic Industries          Public Recreation          Commercial Recreation          Visitor-Serving Land Uses          Residential and other Commercial and Industrial Land Uses</p> <p><b><u>Policy 3.07:</u></b> Water-saving devices shall be required in new developments.</p>	<p>The project is consistent with the City’s growth projections and adequate water and sewer is available.</p> <p>The project is a visitor serving retail use and will receive priority.</p> <p>The project as conditioned will be required to provide water saving devices.</p>
<p><b><u>Archaeology (LUP Chapter VI)</u></b></p> <p><b><u>Policy 4.01- 4.08 &amp; LU-82:</u></b> reconnaissance, discovered, and protection of significant archaeological and historic resources to the greatest extent possible.</p>	<p>The entire project is located on fill placed in connection with creation of the Embarcadero therefore archaeological resources are not anticipated. However. A standard condition of</p>

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	approval has been incorporated into the project, which specifies procedures in the event archaeological resources are uncovered.
<p><b><u>Energy/Industrial Development (LUP Chapter VII)</u></b></p> <p><b>General Policies 5.01-5.22:</b> more specifically related to the PG&amp;E property.</p>	Not applicable
<p><b><u>Coastal Agriculture (LUP Chapter VIII)</u></b></p> <p><b>General Policies 6.01-6.09:</b> prime and non-prime soils.</p>	Not applicable
<p><b><u>Commercial Fishing/Recreational Boating Policies (LUP Chapter IX)</u></b></p> <p><b>General Polices 7.01-7.08</b></p> <p><b>Policy 7.06A:</b> “The Embarcadero...shall be considered a mixed commercial fishing and visitor-serving area. Public access and recreational opportunities shall be maximized along the waterfront consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resources from overuse. Public access from the nearest public roadway to the shoreline and along the bay front shall be provided...”</p>	See above discussion.
<p><b><u>Diking, Dredging, Filling and Shoreline Protection Policies (LUP Chapter XI):</u></b></p> <p><b>General Policies 10.01-10.11</b></p>	Work associated with the floating dock and gangway will be completed as part of this project.
<p><b><u>Environmentally Sensitive Habitat Policies (LUP Chapter XII)</u></b></p> <p><b>Policy 11.08:</b> “Pollutants such as chemicals, fuels, lubricants, raw sewage and other harmful wastes generated during commercial or recreational boating activities shall be prohibited from being discharged into the bay.”</p>	The project site is not within a designated ESH area; however, it is adjacent to the bay. Conditions of approval have been added that address polluting the bay.
<p><b><u>Visual Resource &amp; Scenic Highway Elements &amp; Coastal Land use Plan Visual Resource Policies (LUP Chapter XIII)</u></b></p> <p><b>Policy 12.01 &amp; VR-2:</b> “The scenic and visual</p>	The attached Exhibits provide evidence that the

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qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic and coastal areas..."

**Policy 12.02 & VR-2.2:** "...Specific design criteria shall be established... (a) building height/bulk relationship compatible with existing surround uses; (b) landscaping to restore and enhance visually degraded areas... (c) preservation and enhancement of views of the ocean, bay, sand spit and Morro Rock..."

**Policy 12.07 & VR-6:** The City shall establish a policy for undergrounding of utilities in connection with new development or major redevelopments.

**Program VR-4.3-4.4:** provision for street trees that are adequately placed, species and height

project will be consistent with Policies 12.01 & 12.02. Additionally, standard Planning Division conditions of approval and mitigation measures have been incorporated into the project ensuring compliance with design guidelines included in the Waterfront Master Plan.

The project as conditioned will be required to underground its utilities.

The project as conditioned will provide 2 street trees to be identified by Public Works that does not exceed 20 feet in height.

Existing Land Uses surrounding the project site are The Boatyard building (retail, gallery, Chamber uses), the harbor, Embarcadero Grill and retail. The proposed uses will not conflict with existing surrounding uses and are consistent with the General Plan and Local Coastal Program. The project is not expected to conflict with any policies in the applicable elements of the General and Coastal Land Use plans. Engineering Conditions are included to insure that the project does not conflict with General Plan Program LU-58.1/LUP Policy 11.08 which states "Pollutants such as chemicals, fuels, lubricants, raw sewage and other harmful wastes generated during commercial or recreational boating activities shall be prohibited from being discharged into the bay." Conditions 20 & 24 require the applicant to install oil-water separator and/or drainage inlets to prevent petroleum hydrocarbons and sediment from draining to the bay.

## **PUBLIC NOTICE:**

Notice of this item was posted at the site and published in the San Luis Obispo Telegram-Tribune newspaper on August 10, 2007 and all property owners of record within 300 feet and occupants within 100 feet of the subject site were notified of this evening's public hearing and invited to voice any concerns on this application.

## **CONCLUSION:**

The proposed project would be consistent with all applicable development standards of the Zoning Ordinance, and applicable provisions of the General Plan, Local Coastal Plan, and Waterfront Master Plan in that the public benefit provided to offset the requested height exception is warranted and creates a better project. A Mitigated Negative declaration has been prepared and is recommended for approval on this project.

Report prepared by: Mike Prater, Planning Manager

# EXHIBIT C

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## EXHIBIT A: FINDINGS

UP0-153, A request to demolish the existing Outrigger Restaurant and construct a mixed-use project with the first floor as restaurant, retail commercial comprising of one lease space of 1,316 square feet. The second floor would consist of six lodging units approx. 2,910 square feet.

### California Environmental Quality Act (CEQA)

- A. That for purposes of the California Environmental Quality Act, Case No. UP0-153 is subject to a Mitigated Negative Declaration based on aesthetic, hazardous and hydrology issues present on the property. Any impacts associated with the proposed development will be brought to a less than significant level through the Mitigated Negative Declaration.

### Conditional Use Permit Findings

- B. The project will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood in that the mixed use commercial retail and lodging building is a permitted use within the zoning district applicable to the project site and said structure complies with all applicable project conditions and City regulations.
- C. The project will not be injurious or detrimental to property and improvements in the neighborhood and the general welfare of the City in that the mixed use commercial retail and lodging building will provide additional public benefit.
- D. The project will not be detrimental to the health, safety, morals, comfort and general welfare of the City in that the mixed use commercial retail and lodging building is a permitted use within the zoning district applicable to the project site and said structure complies with all applicable project conditions and City regulations.

### Waterfront Master Plan Findings

- E. The proposed project makes a positive contribution to the visual accessibility to the bay and rock while increasing retail and lodging facilities:
- a. Meets the Waterfront plan height limit and maximum building coverage, bulk, and scale requirements in that the proposed project does not exceed the maximum height allowed and interesting articulation breaks up the bulk and scale.
  - b. In the case of granting height greater than 17 feet, the proposed project also provides significant public benefit pursuant to the Planned Development Overlay zone requirements in that the proposed project is widening the sidewalk and creating a public courtyard, providing architectural interest that fits with the Embarcadero area, incorporating a (27) foot wide view corridor adjacent to the building, and including public restrooms.
  - c. The proposed project provides the amenities identified in the WF Plan, facilitates pedestrian visual and physical access to the waterfront, and takes advantage of outward views and characteristics of the topography in that the roof elements were altered to allow for better bay views.
  - d. The proposed project makes a positive contribution to the working fishing village character and quality of the Embarcadero area in that the new project will add to the pedestrian orientation while maintaining the commercial fishing operations.
  - e. The design recognizes the pedestrian orientation of the Embarcadero and provides an interesting and varied frontage that will enhance the pedestrian experience in that the new building will open up to the passing pedestrian via large entry doors.

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- f. The project gives its occupants and the public some variety in materials and/or application in that the building will consist of stone veneer, new vertical windows, and wood siding with planter boxes.
- g. The project contains the elements of harmony, continuity, proportion, simplicity, and balance, and its appearance matches its function and the uses proposed in that the new structure will provide more horizontal and vertical articulation, and the public will be invited into the space via a new public courtyard.
- h. The proposed project does not diminish, either directly or by cumulative impact of several similar projects, the use, enjoyment, or attractiveness of adjacent buildings and provides a visual and pedestrian transition to its immediate neighbor in that the existing and new construction is in keeping with the architectural style, massing, materials, scale, and use of its surroundings.

# EXHIBIT C

## EXHIBIT B: CONDITIONS OF APPROVAL

### STANDARD CONDITIONS

1. This permit is granted for the land described in the staff report referenced above, dated August 20, 2007 for the projects depicted on the attached plans labeled "Exhibit C" dated May 25, 2007 and on file with the Public Services Department, as modified by these conditions of approval.
2. Changes: Any minor change may be approved by the Public Services Director. Any substantial change will require the filing of an application for an amendment to be reviewed by the Planning Commission.
3. Compliance with the Law: All requirements of any law, ordinance or regulation of the State of California, City of Morro Bay, and any other governmental entity shall be complied with in the exercise of this approval.
4. Compliance with Conditions: By issuance of building permits for the proposed use or development, the owner or designee accepts and agrees to comply with all Conditions of Approval. Compliance with and execution of all conditions listed hereon shall be required prior to obtaining final building inspection clearance. Deviation from this requirement shall be permitted only by written consent of the Public Services Director and/or as authorized by the Planning Commission. Failure to comply with these conditions shall render this entitlement, at the discretion of the Director, null and void. Continuation of the use without a valid entitlement will constitute a violation of the Morro Bay Municipal Code and is a misdemeanor.
5. Compliance with Morro Bay Standards: This project shall meet all applicable requirements under the Morro Bay Municipal Code, and shall be consistent with all programs and policies contained in the Zoning Ordinance, Beach Street Specific Plan, certified Coastal Land Use plan and General Plan for the City of Morro Bay.
6. Hold Harmless: The applicant, as a condition of approval, hereby agrees to defend, indemnify, and hold harmless the City, its agents, officers, and employees, from any claim, action, or proceeding against the City as a result of the action or inaction by the City, or from any claim to attack, set aside, void, or annul this approval by the City of the applicant's project; or applicants failure to comply with conditions of approval. This condition and agreement shall be binding on all successors and assigns.
7. Water Saving Devices: Prior to final occupancy clearance, water saving devices shall be installed in the project in accordance with the policies of the Morro Bay Coastal Land Use Plan and as approved by the Building Official.
8. Undergrounding of Utilities: Pursuant to MBMC Section 17.48.050, prior to final occupancy clearance, all on-site utilities including electrical, telephone and cable television shall be installed underground.
9. Screening of Equipment/Utility Meters/Fencing: All roof-mounted air conditioning, or heating equipment, vents, ducts and/or utility meters shall be screened from view in a manner approved by the Director of Planning and Building. Prior to building permit issuance, the approved method of screening shall be shown on the project plans.

# EXHIBIT C

10. Construction Hours: Pursuant to MBMC Section 9.28.030 (I), noise-generating construction related activities shall be limited to the hours of seven a.m. to seven p.m. weekdays and eight a.m. to seven p.m. on weekends, unless an exception is granted by the Director of Planning & Building pursuant to the terms of this regulation.
11. Exterior Lighting: Pursuant to MBMC Section 17.52.080, prior to building permit issuance, complete details of all exterior lighting shall be shown on the project plans for review and approval by the Director of Planning & Building. All exterior lighting shall be low level with a height of fixture not to exceed a maximum of 17 feet and shall achieve the following objectives; avoid interference with reasonable use of adjoining properties; shielded to minimize on-site and off-site glare; provide adequate on-site lighting; limit fixture height to avoid excessive illumination; provide structures which are compatible with the total design of the proposed facility.
12. Dust Control: Prior to issuance of a grading permit, a method of control to prevent dust, construction debris, and wind blown earth problems shall be submitted to and approved by the Building Official to ensure conformance with the performance standards included in MBMC Section 17.52.070.
13. Archaeology: In the event of the unforeseen encounter of subsurface materials suspected to be of an archaeological or paleontological nature, all grading or excavation shall immediately cease in the immediate area, and the find should be left untouched until a qualified professional archaeologist or paleontologist, whichever is appropriate, is contacted and called in to evaluate and make recommendations as to disposition, mitigation and/or salvage. The developer shall be liable for costs associated with the professional investigation and implementation of any protective measures as determined by the Director of Planning & Building.
14. Property Line Verification. It is owner's responsibility to verify lot lines. Prior to foundation inspection the lot corners shall be staked and setbacks marked by a licensed professional.

## PLANNING CONDITIONS

15. Colors and Materials: Prior to issuance of a building permit, the Public Services Director shall ensure compliance of all exterior colors and materials, including fencing materials. All other colors and materials not so specifically approved may be approved by the Director according to the following objectives: achieve compatibility with colors and materials used in the on-site improvements; achieve compatibility with the architectural design of the improvements; achieve compatibility with surrounding land uses and properties; preserve the character and integrity of the zone.
16. Signage: Prior to installation of any sign on-site, a sign program shall be approved by the Director in conformance with MBMC Chapter 17.68.
17. Soils Report: Prior to building permit issuance, the applicant shall provide all updated and project-specific soils and geology reports required by the Building Official. Project design and construction shall be consistent with recommendations contained in soils and geology reports, as required by the Building Official.

## PUBLIC WORKS CONDITIONS

18. Off-Site Frontage Public Improvements: Are required as set forth in MBMC Section 14.44, Circulation Element III-7, and for provision of pedestrian clearance and safety. From the face of curb, the site's Embarcadero frontage shall have a minimum clear 8' wide paved sidewalk.

# EXHIBIT C

Frontage improvements in need of repair or which do not meet City standards shall be replaced.

19. Traffic Impact Fee: \$4,844. Pursuant to the Circulation Element of the General Plan, a developer is responsible for circulation system improvements on the basis of the development's impact. Prior to building permit issuance a fee shall be paid proportionate to the percentage increase in peak traffic flows at the Highway 41 Main Street, Radcliff Main Street and Quintana Morro Bay Boulevard intersections which have an identified cost of \$980,000, \$1,000,000, and \$585,000 respectively for construction of future intersection and channelization improvements. The \$4,844 fee is proportionate to the increase in peak traffic flows as determined by the Engineering Division per Institute of Transportation Engineers Handbook and existing peak hour data. Approximately 20% credit was given for the existing uses.
20. Oil-Water Separator: To reduce pollution to bay and ocean waters, the applicant shall install an oil-water separator/isolator on site between all drainage water inlets and the street gutter. Inlet and/or outlet structure design shall address silt and hydrocarbon containment and be approved by the City.
21. Work & Encroachment Permits: Encroachment permits are required for non-standard encroachments or prior to construction in or use of land in the City right-of-way.
22. Construction Dumpster: If a construction dumpster is used, the dumpster location shall be on private property, unless allowed by an encroachment permit in the right of way area.
23. Repair & Replacement of Public Improvements: Prior to project completion the Applicant shall repair curb, street, sewer line, water line, or any public improvements, which were damaged as a result of construction operations for this project.
24. Sediment and Debris Control: Control measures shall prevent sediment or debris from entering the City right of way, roadway, or adjacent properties. Such control also serves as an aid in meeting the National Pollutant Discharge Elimination System (NPDES) Permit Program as Authorized by the Clean Water Act and administered by the State of California.
25. Public Improvements and Utilities: The project plans shall indicate all existing improvements, trees and utilities and shall make note of any proposed improvements or modifications.
26. Drainage: Route roof and paved surface storm water run off to the street flowline.
27. Water Pressure Reducer: a pressure reducer shall be installed on site.
28. Sewer Backwater Valve: a sewer backwater valve shall be installed on site to prevent a blockage or maintenance of the municipal sewer main from causing damage to the proposed project.

## **FIRE DEPARTMENT CONDITIONS**

29. Building and Address Identification: Approved address numbers shall be placed on all new buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall clearly contrast with their background. The characters shall be a minimum of 5" high with a ½ " stroke.
30. Prior to final occupancy the applicant shall submit an 8-1/2" x 11" reduced copy of the floor plan and site plan for updating Fire Departments response books

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31. Fire Extinguishers: The minimum fire-extinguisher requirement shall be one portable, wall-mounted for each retail space in such locations so that maximum floor travel distance does not exceed 75' to the nearest extinguisher from any portion of the building with a maximum of 3,000 square feet of floor area surveyed. Fire extinguishers listed above, will be required on site during construction.
32. Automatic Fire-Alarm Systems: Sprinkler systems shall be installed in accordance with Morro Bay Municipal Code Section 14.60.200, in all new structures along the waterfront in compliance with appropriate Uniform Building Code Standards, regardless of area separation or where required by National Fire Protection Association (NFPA) Standards, and other standards adopted by the jurisdiction.
33. Refuse Containers: Trash enclosures must comply with the 1994 Uniform Fire Code Article 1103.2.2. Dumpsters and containers with an individual capacity of 1.5 cubic yards or more shall not be stored in buildings or placed within 5 feet of combustible walls, openings or combustible roof eave lines.
34. Fire Alarms: For fire alarm systems employing automatic Fire detectors or waterflow detection devices, at least one fire alarm box shall be provided to initiate a fire alarm signal. This fire alarm box (pull station) shall be located where required by the authority having jurisdiction.
35. An approved audible sprinkler flow alarm shall be provided on the exterior of the building in an approved location. An approved audible sprinkler flow alarm to alert the occupants shall be provided in the interior of the building in a normally occupied location. Action of the alarm shall be as set forth in UBC Standard N0. 9-1.

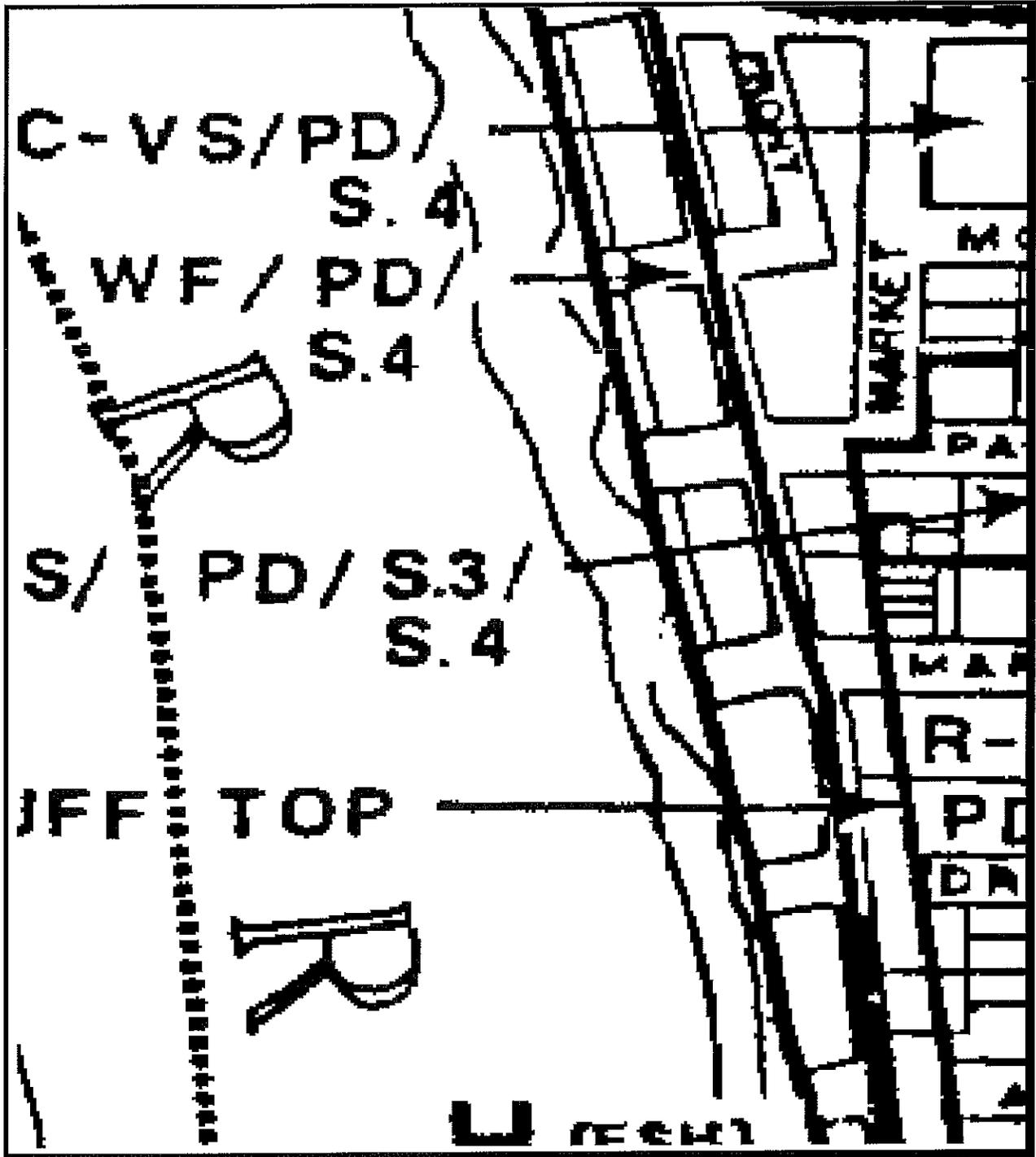
## CONCEPT PLAN CONDITIONS

36. The applicant shall revise the second floor setback to comply with the 10-foot setback requirement.

EXHIBIT C

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Planning Commission  
Violet Leage

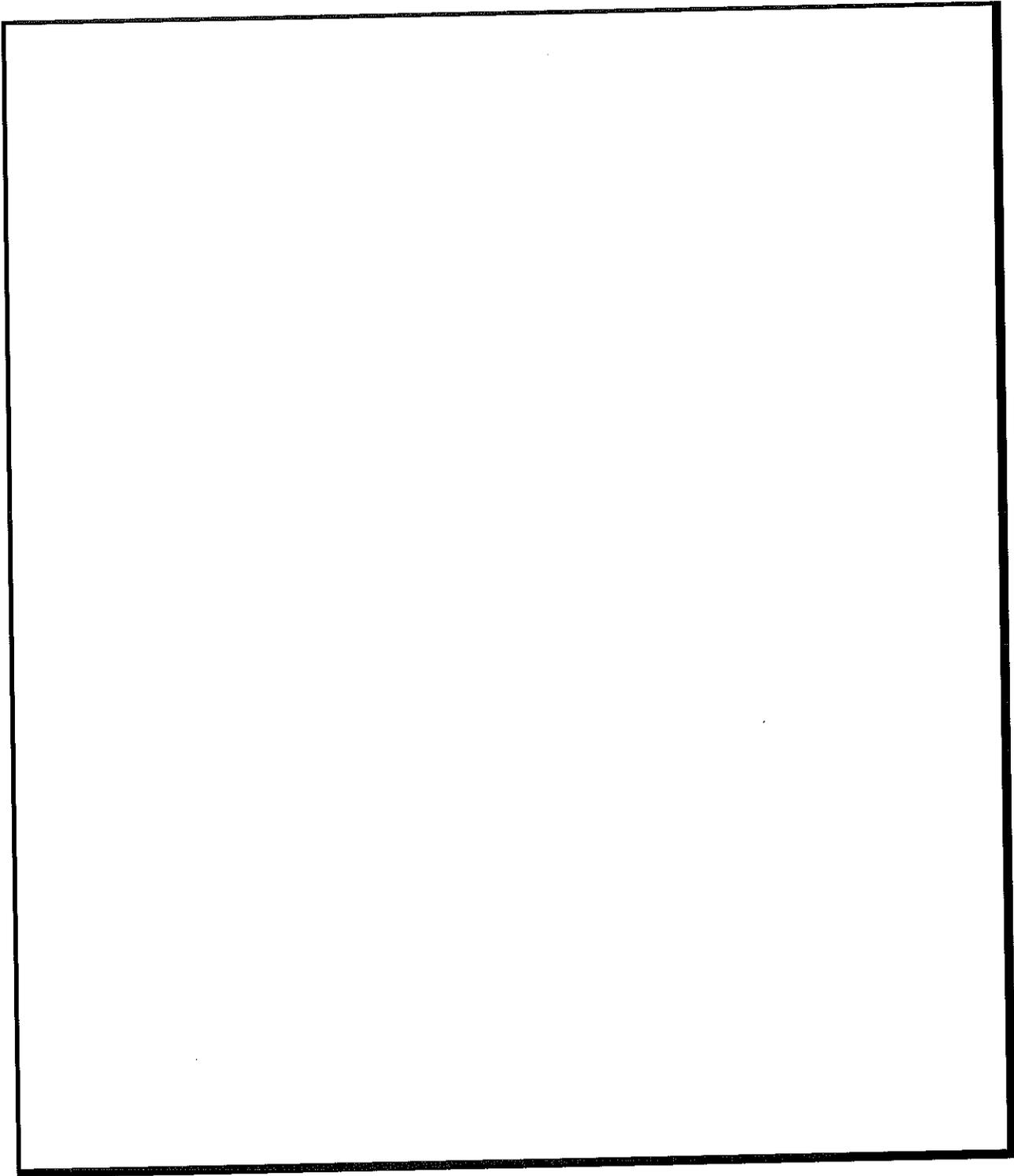


ZONING MAP

# EXHIBIT C

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**Planning Commission**  
Violet Leage

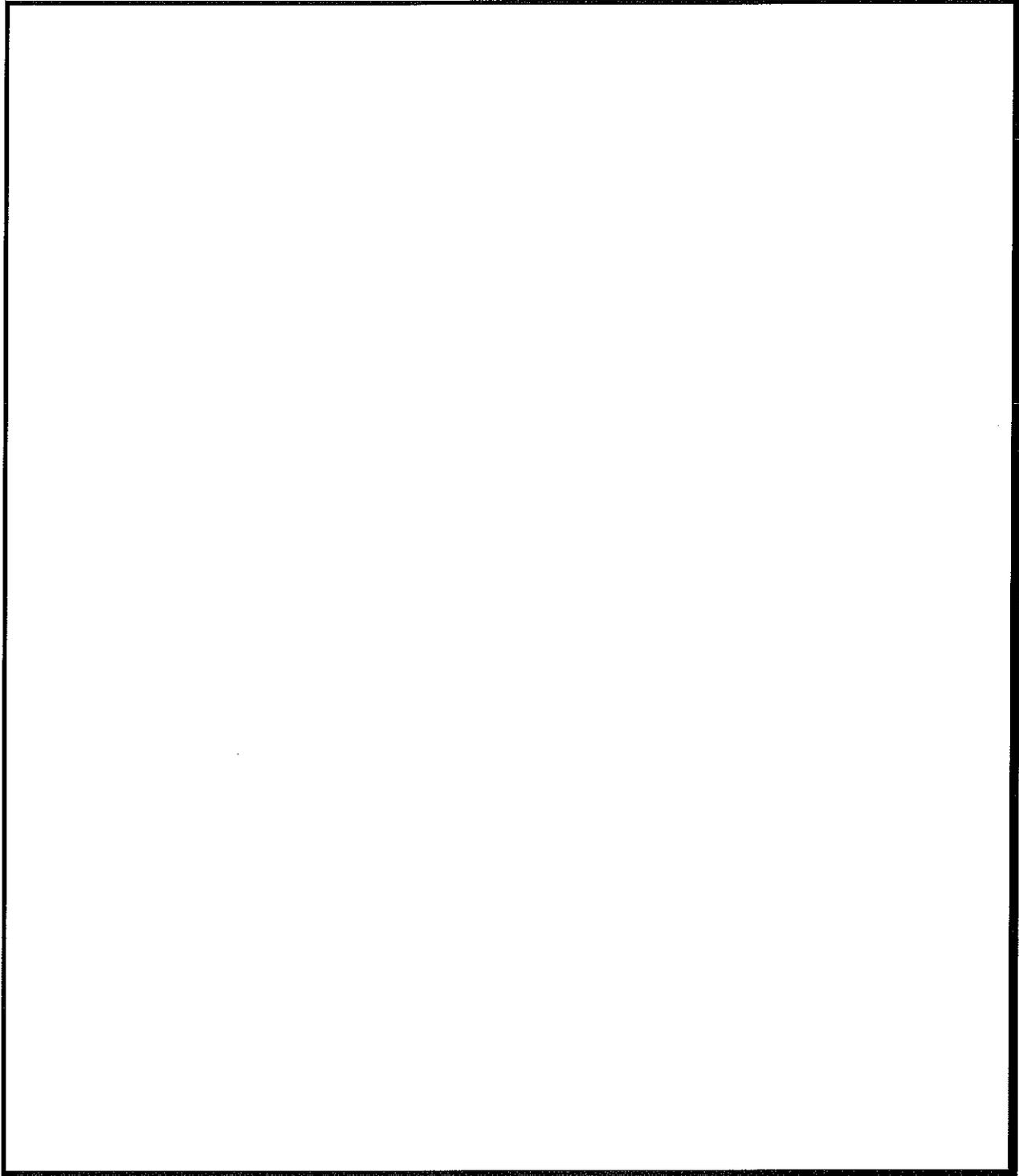


**1st Story**  
**FLOOR PLAN/SITE PLAN**

# EXHIBIT C

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**Planning Commission  
Violet Leage**

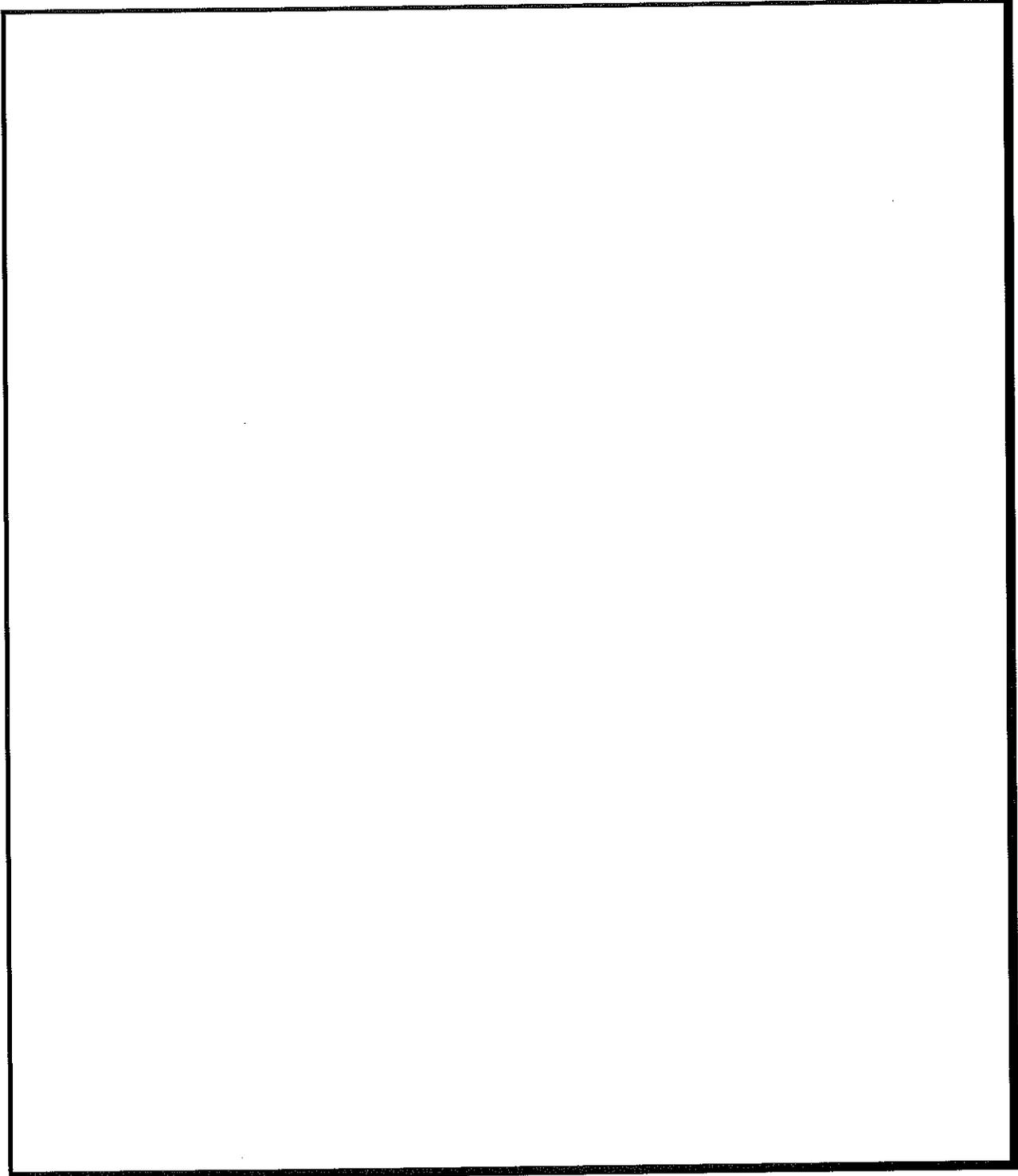


**2nd Story  
FLOOR PLAN**

# EXHIBIT C

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**Planning Commission  
Violet Leage**

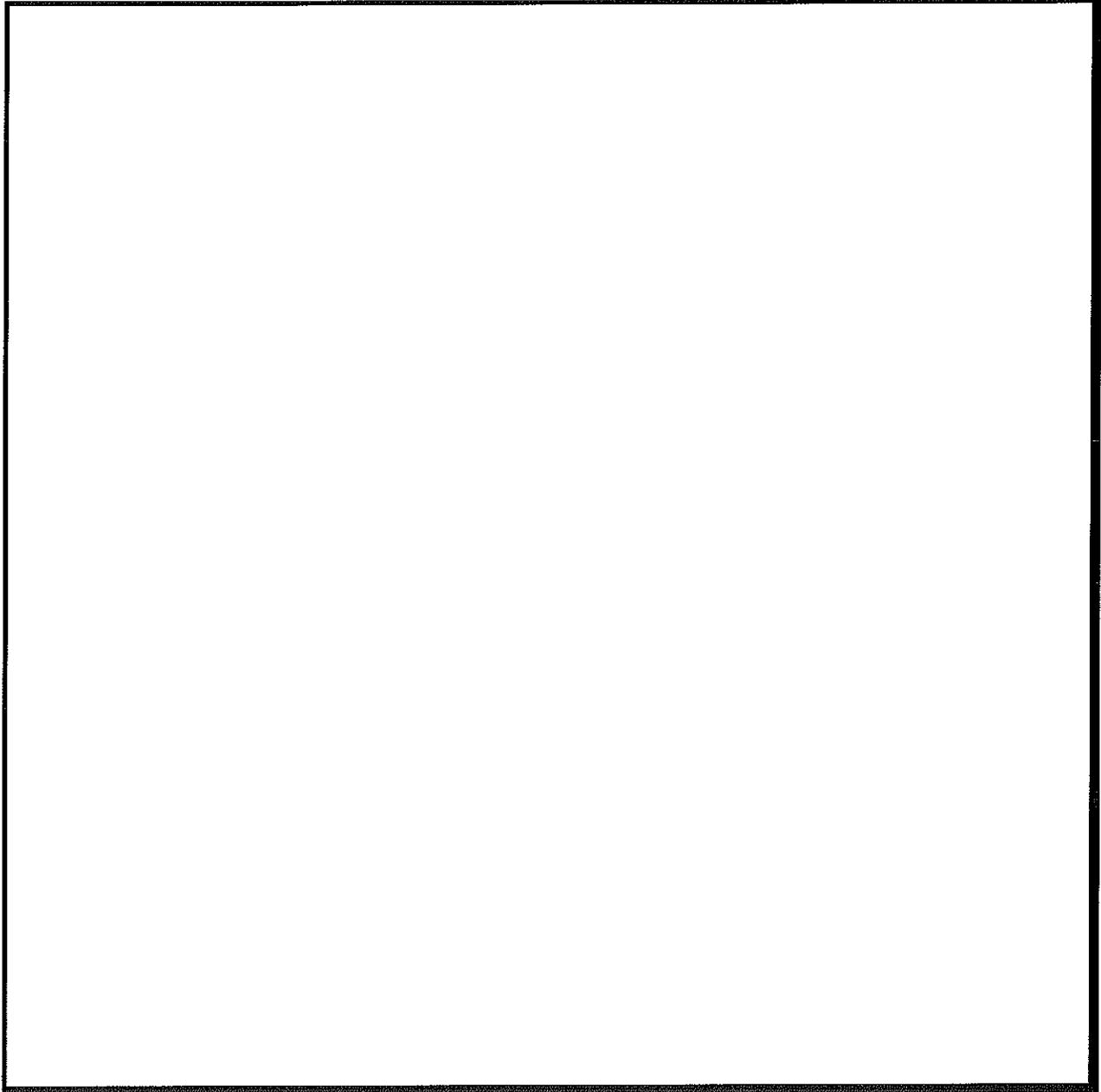


**ELEVATIONS**

# EXHIBIT C

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**Planning Commission  
Violet Leage**



**AERIAL/PHOTOS**

**PLANNING COMMISSION****MEMORANDUM**

**TO:** PLANNING COMMISSION  
**DATE:** March 20, 2000  
**FROM:** DAN LONG, ASSISTANT PLANNER  
**SUBJECT:** 833 Embarcadero CUP 36-99 (CONTINUED FROM 2/22/00)

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**PLEASE BRING A COPY OF THE PREVIOUS STAFF REPORT****RECOMMENDATION**

Approve Case No. CUP 36-99 based on the finding contained in the staff report dated February 22, 2000 and conditions attached to this memorandum.

**SUMMARY**

On February 22, 2000, Planning Commission reviewed and discussed the proposal at 833 Embarcadero and motioned to continue this public hearing to March 20, 2000. After evaluating the project and debating the issues surrounding the case, Planning Commission consensus was in favor of the project. Staff asked for direction from the Planning Commission on three (3) key issues prior to making a final recommendation. These issues were signage, a proposed handicap lift, including the height of the proposed structure and finally the use of parking credits to serve the new use. The parking and handicap access were resolved and are conditioned as attached to this memorandum to reflect the consensus reached on these two issues. Regarding the signage issue the Planning Commission directed the applicant and master leaseholder, prior to approval to develop a master sign program for the site and add other site improvements. The applicant has submitted a plot plan with the new proposed signage and other improvements on the site including the removal of the pole sign in order to increase the maximum aggregate area of signage allowed. The other improvements include the relocation of the utility box to the tower area (under the stairs) and removal of all the coin operated machines. (Note: since agreeing to this at the PC meeting February 22, 2000 the applicant has indicated a desire to further discuss this issue.)

The applicant has submitted the additional information requested. Staff has reviewed proposed signs and improvements and recommends the project be approved, based on the findings contained in the Conditions of Approval attached with this memorandum and analysis contained in the Staff Report dated February 22, 2000.

**DISCUSSION**

The public hearing for this project was continued from February 22, 2000 to March 20, 2000 with the following direction for staff and the applicant:

## Exhibit D

Planning Commission  
March 20, 2000  
CUP 36-99

<b>2. Public Benefit</b>	<p>The applicant has proposed to do numerous activities, which may constitute an acceptable public benefit. First, the existing pole sign will be removed allowing for additional improved signage for the site. The existing utility box adjacent to the existing stairwell will be relocated under the stairs in order to increase the view corridor, which will also add to the aesthetics of the site.</p> <p>There was consensus by Planning Commission that removal of the coin operated machines was desirable. The applicant and master leascholder ask that the coin operated machines not be removed. The applicant would like to relocate the machines on the site. They feel the Embarcadero has few attractions for young children, and by moving them back it would allow for the children to enjoy the Embarcadero as the adults do. With proper screening and placement this may be successfully accomplished. However, since it was agreed to by the applicant, to remove the machines at the previous meeting, the conditions are consistent with what was agreed upon at the Planning Commission meeting of February 22, 2000.</p>
<b>3. Handicap Lift</b>	<p>At the previous meeting it was determined that the proposed handicap lift needs to be expanded and altered. The applicant has moved the lift towards the street allowing for more clearance of path. A 30-square foot (6' x 5') landing pad now facilitates the second story for those who will utilize the lift. Also, as noted previously, the utility box will be behind the lift, under the stairs, hidden from public view.</p> <p>The top portion of the lift incorporates clear glass windows, which will improve the visual element. Below the window is the proposed frame that will facilitate the replaceable signs.</p> <p>The railing that connects the lift to the main structure has not been changed. It was suggested that glass paneling be utilized in order to obstruct less of the view. No plans show the use of glass paneling for this portion of the railing</p>
<b>4. Parking</b>	<p>It was agreed that the parking is sufficient due to parking credited to the site.</p>
<b>5. New Information</b>	<p>After the Planning Commission Meeting on February 22, 2000, the applicant communicated to staff that in addition to the other site improvements mentioned above, he would also like to remove the existing benches along the street and replace them with non-permanent street furniture such as tables and chairs. Staff has not conditioned the project for the removal of the existing benches only for the removal of the coin operated machines.</p>

### CONCLUSION

The applicant has submitted the additional information requested by Planning Commission. Staff review of the resubmitted plans shows that the applicant has fulfilled the requirements of Planning Commission. The one function that has not been shown on the plans that was asked for by Planning Commission was the removal of the coin operated machines. Again, the applicant feels the machines provide a source of entertainment for the children that visit the Embarcadero, which at this time is limited.

**ATTACHMENT A**

**FINDINGS**

CASE NO: CUP 36-99  
833 Embarcadero

Convert a storage and office facility into 3 Bed and Breakfast units on the second story and construct a handicap lift up to the second story

Staff recommends that the Planning Commission make the following Findings:

1. That for the purposes of CEQA, Case No. CUP 36-99 is Categorically Exempt, Class 1 (CEQA Guidelines Section 15301(a and e))
2. As conditioned, the project will not be detrimental to the health, safety, comfort, and general welfare of the persons residing or working in the neighborhood because this use is as an allowable use within the zoning district applicable to the project site and said project will be constructed in accordance with all applicable project conditions and City regulations as indicated in the attached memorandum dated March 20, 2000 and the staff report dated February 22, 2000.
3. As conditioned, the project will not be injurious or detrimental to property and improvements in the neighborhood because said project is consistent with City regulations applicable to this development as indicated in the attached staff report to the Planning Commission dated March 20, 2000 and the original staff report dated February 22, 2000.
4. As conditioned, the project will not be injurious or detrimental to the general welfare of the City because said project is permitted within the WF zoning district. All work will be constructed in accordance with all applicable project conditions and City regulations as indicated in the attached memorandum dated March 20, 2000 and the staff report to the Planning Commission dated February 22, 2000.
5. The project is in conformance with the General Plan and the certified Local Coastal Land Use Plan as indicated in the attached memorandum dated March 20, 2000 and the staff report to the Planning Commission dated February 22, 2000.
6. The project is an allowable use in its zoning district and is also in accordance with the certified Coastal Land Use Plan for the City of Morro Bay, and is in conformance with the coastal access policies of chapter 3 of the California Coastal Act.
7. The project has been determined a minor alteration to an existing building on a developed site, for the purposes of applying the Waterfront Design Guidelines adopted for the Embarcadero area. As conditioned, the general concepts of the Waterfront Design Guidelines have been met relating to height, maintaining views and use of complimentary building materials and signs. However, it has been deemed infeasible to required major improvements to existing sidewalks and lateral accessway as the associated cost would far exceed the project cost. When a major redevelopment of the site occurs, all the the Waterfront Design Guidelines standards will be applicable.

## Exhibit D

Planning Commission  
March 20, 2000  
CUP 36-99

8. Acceptance of Conditions: Prior to obtaining a building permit and within thirty (30) days of the effective date of this permit, the applicant shall file with the Director of Public Services written acceptance of the conditions stated herein.

### B. PLANNING CONDITIONS:

1. Master Sign Program: The approved Master Sign Program for the site establishes a maximum aggregate total not to exceed 90 square feet. The approved sign program is a mix of projecting signs and surface signs and shall include the following elements:
  - a. Prior to issuance of a building permit, the existing pole sign and all signs not approved in the master sign program shall be removed.
  - b. One additional sign placard shall be added to the replaceable frame located on the proposed handicap lift tower, to accommodate the subtenant within the current Under the Sea Gallery (Psychic Center).
  - c. Pursuant to section 17.68.110 of the zoning ordinance no projecting sign shall encroach more than twelve inches over a public right-of-way.

In the event that the Bed & Breakfast business approved with this conditional use permit, or any other of the current tenants or subtenants, ceases to do business at the subject site, any new tenants or subtenants shall adhere to this Master Sign Program unless an application to amend the sign program is submitted for review and approval by the Planning Commission. It is amended and approved by the Planning Commission.

2. Coastal Development Permit from California Coastal Commission: Prior to issuance of a building permit, the applicant shall submit to the Public Services Department a written confirmation indicating the project has been reviewed and approved by the California Coastal Commission (either a copy of an approved Coastal Development Permit or a permit waiver). Any modifications to the project or conditions of approval shall be reviewed by the Public Services Director to determine whether the change is in substantial conformance with the City's approval. Substantial changes will require review of an amendment by the Planning Commission pursuant to Condition A.4.
3. Exterior Lighting: Pursuant to MBMC Section 17.52.080, prior to building permit issuance, complete details of all exterior lighting shall be shown on the project plans for review and approval by the Director of Public Services. All exterior lighting shall be low level with a height of fixture not to exceed a maximum of 20 feet and shall achieve the following objectives; avoid interference with reasonable use of adjoining properties; shielded to minimize on-site and off-site glare; provide adequate on-site lighting; limit fixture height to avoid excessive illumination; provide structures which are compatible with the total design of the proposed facility.
4. Water Saving Devices: Prior to final occupancy clearance, water saving devices shall be installed in the project in accordance with the policies of the Morro Bay Coastal Land Use Plan and as approved by the Building Official.

4. Sewer Backwater Valve: Prior to completion, the sewer lateral shall be provided with a backwater valve on private property to prevent a blockage of the municipal sewer main from causing damage to the proposed project.

**E. FIRE DEPARTMENT CONDITIONS**

1. Fire Safety Plan: Prior to issuance of a building permit, the applicant shall submit a fire safety plan to the Public Services Department for review and approval by the Fire Chief. Said plan shall meet all of the applicable requirements and standards of Chapter 14.60 of the Morro Bay Municipal Code (Uniform Fire Code). In accordance with Section 14.60.200, an automatic fire sprinkler system may be required.

# Exhibit D

# EXHIBIT E



AGENDA NO: \_\_\_\_\_

Meeting Date: 9/22/08 Action: \_\_\_\_\_

## Staff Report

**TO:** Honorable Mayor and City Council      **DATE:** September 15, 2008

**FROM:** MIKE PRATER, PLANNING MANAGER

**SUBJECT:** CONCEPT PLAN APPROVAL FOR THE EMBARCADERO  
CONFERENCE CENTER LOCATED AT 801-833 EMBARCADERO, UPO-  
212

**RECOMMENDATION:** Staff recommends the City Council approve the Mitigated Negative Declaration and conditionally approve the Concept Plan.

**FISCAL IMPACT:** The applicant has paid the processing fees. The potential fiscal impact associated with this project could be significant by expanding the community's traditional tourist season beyond the peak summer months for meetings and conferences throughout the full year.

**SUMMARY:** The applicant is proposing to demolish portions of two detached buildings on separate lease sites and remodel the structures while adding new square footage by constructing a 6,257 square foot conference center, 7,770 square foot commercial retail, 2,188 square foot restaurant, add 17 new boat slips, 8-foot lateral access, and view decks, and create two public plaza's (one on the north side of Outrigger and one on south side using dead end street of Morro Bay Blvd.) by requesting expansion of lease space in exchange for the street end to facilitate the project. The project is anticipating only partial removal of the existing buildings. The total building area is approximately 19,311 square feet with a footprint of 11,090 square feet or 65% lot coverage, which includes the street end. The applicant's are requesting the project be considered a remodel in order to retain the historic parking credits. The previous uses required 31 parking spaces for Outrigger building and 79 parking spaces for Embarcadero Grill. The new uses generate a parking demand of 197 parking spaces and various parking management strategies are proposed to offset the projects shortfall.

Prepared By: \_\_\_\_\_

Dept Review: \_\_\_\_\_

City Manager Review: \_\_\_\_\_

City Attorney Review: \_\_\_\_\_

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# EXHIBIT E

**BACKGROUND:** The Planning Commission held a public hearing on September 2, 2008 and voted 5-0 to recommend approval after adding conditions of approval. The Commissioners added the following conditions:

1. The project is required to be (Leadership in Education and Environmental Design) LEED certified.
2. Public restrooms and appropriate signage will be required during business hours.
3. Coordination with the Harbor Department regarding slip design and ease of navigation.
4. The Public Plazas are recommended via new lease area however the Commission also felt enough public benefits warranted exception if needed. The Plazas are required to be open to the public 24 hours 7 days a week. An emergency access path to facilitate Fire Department was also required.
5. Parking – the Commission recommended the applicant secure an additional 87 parking spaces (public or private) in addition to the historical credits of 110 allowed. These additional 87 spaces should be outside of the Embarcadero public lots of Front Street and Tidelands. Better demonstration of their location and effective methods of transportation to and from these locations to the conference center and back during the event hours. The terms for any and all off-site private locations shall enter into an agreement and run with the City lease.
6. Following the implementation of the parking management strategies above a 2-year monitoring program shall be submitted by the applicant to measure the success of the program.
7. A new pick-up and drop-off located across the street within the Front Street parking area near the chessboard should be designed into the project.
8. Finally, better articulation along the South-side of the building should be considered.

The applicant's have submitted the same plans as reviewed by the Planning Commission along with the verbal commitment to revise the plans to reflect the changes requested of the Commission including noting public restrooms, emergency access, drop-off/pick-up, dock configuration (Harbor Department has concurred on the design), and changes to the southern elevation. The applicant's will present the changes in graphic form at the meeting to better illustrate the new elements. The applicants want the Council to review the same plans submitted to the Commission. In addition, the applicant's have provided additional information regarding the locations and better details regarding the parking program including a map of the parking spaces, the number of spaces available, and a commitment to have shuttle service and agreements. The applicant's are not contesting any of the added conditions however are requesting the Council accept the parking program as presented.

**DISCUSSION:** The project site is at the edge of the bay, on the west side of the Embarcadero between Harbor, Morro Bay Blvd. and Front Street. The applicant proposes to replace the existing restaurant and adding a floor for a conference center with new commercial lease spaces on the ground floor. The new structure will include a new lateral access way on the bay side of the lease site. In addition, 17 boat slips will be installed on the water. View corridors and photo simulations have been proposed to demonstrate the projects compliance with the Waterfront Master Plan.

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## Building Components

The existing buildings consist of a 3,667 square foot restaurant space with 280 square feet of outdoor dining, one retail space of 1,510 square feet, and 1,510 square feet of storage/office space above the retail portion within the Outrigger building. The Embarcadero Grill (once the Fish Bowl) consists of 4,282 square foot restaurant within two floors with an additional 1,266 square feet of kitchen area. Retail space is in front of the restaurant with 792 square feet along with 982 square feet of storage/office space and an apartment above of 532 square feet.

The applicant proposes to demolish most of the site, however retaining a large portion of the structure, and replace the site with the same uses on the ground floor while adding a conference center upstairs. The first floor would consist of 1,371 square-feet of restaurant space, which is a large reduction of over 6,500 square feet to create only one restaurant rather than two. The retail space will increase to 7,770 square feet up from 2,300 square feet.

## Public Plazas

Two public plazas will be created on either side of the building to create or maintain public view corridors and seating areas or potential outdoor fairs. The second floor will be all new construction consisting of 6,560 square feet of conference and small office space. The conference space will allow for various breakout configurations to maximize its potential use to accommodate approximately 400 guests. The building will be two-stories with a request to increase the height to 25 feet above average natural grade. The water portion of the site will include a public lateral accessway and new gangways and ADA lift for 17 new finger tie docks while replacing the free public dock for recreational vessels.

## Parking

Since the project proposes to replace many of the existing uses (i.e. restaurant, commercial retail spaces and office space), there is no additional impact to parking than what exists now in the replacement of these uses. However, the added conference space and new boat slips generate more parking demand (87 spaces) and should be evaluated and measures put in place to ensure no significant impact occurs. The Planning Commission added a condition that requires the applicant to secure these 87 parking spaces during the times of any events conducted in the facility (i.e. weekdays and weekends during peak and non-peak season times including occasions when another event is held within the City).

## Building Height and Views

The Waterfront Master Plan (WMP) requires that public views be protected and enhanced by new development. The applicant is proposing a 25-foot high structure that will not significantly decrease views of the Bay. The WMP requires a 30% view corridor for lots greater than 50 feet in width. The project complies with view corridor requirements. The proposed project will incorporate amenities such as a public restrooms, plazas with benches, architecturally interesting building the will meet LEED certification, widening of the sidewalk and public

## EXHIBIT E

pedestrian access through the site and along the water.

The applicant is requesting permission to extend the maximum building height to allow 25-foot maximum height that is permitted by the guidelines provided there is a public benefit provided by the project and that the overall viewshed characteristics will be improved or at a minimum not diminished from the public viewing locations.

**CONCLUSION:** This project can be found consistent with the waterfront design guidelines with offsetting public benefits and the project's potential impacts can be reduced to less than significant levels through incorporation of a mitigation-monitoring plan. The applicant has agreed to incorporate the mitigation-monitoring plan into the project and fully comply with its mandates. The proposed project is consistent with the development standards of the Zoning Ordinance and all applicable provisions of the General Plan, and Local Coastal Plan with incorporation of recommended conditions.

# EXHIBIT E

## EXHIBIT A: FINDINGS

**UP0-212**, A request to demolish the existing Outrigger & Embarcadero Grill Restaurants and construct a mixed-use project with the first floor as restaurant, retail commercial and the second floor consisting of conference center.

### California Environmental Quality Act (CEQA)

- A. That for purposes of the California Environmental Quality Act, Case No. UP0-212 is subject to a Mitigated Negative Declaration based on Aesthetics, Hazards/Hazardous Materials, Hydrology/Water Quality, Land Use/Planning, Noise, and Transportation/Circulation issues present on the property. Any impacts associated with the proposed development will be brought to a less than significant level through the Mitigated Negative Declaration.

### Conditional Use Permit Findings

- B. The project will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood in that the mixed use commercial retail and conference building is a permitted use within the zoning district applicable to the project site and said structure complies with all applicable project conditions and City regulations.
- C. The project will not be injurious or detrimental to property and improvements in the neighborhood and the general welfare of the City in that the mixed use commercial retail and conference building will provide additional public benefit and mitigations to limit noise or parking disturbances.
- D. The project will not be detrimental to the health, safety, morals, comfort and general welfare of the City in that the mixed use commercial retail and conference building is a permitted use within the zoning district applicable to the project site and said structure complies with all applicable project conditions and City regulations.

### Waterfront Master Plan Findings

- E. The proposed project makes a positive contribution to the visual accessibility to the bay and rock while increasing retail and tourist activity during non-peak seasons by offering conference facilities:
- a. Meets the Waterfront plan height limit and maximum building coverage, bulk, and scale requirements in that the proposed project does not exceed the maximum height allowed and interesting articulation breaks up the bulk and scale.
  - b. In the case of granting height greater than 17 feet, the proposed project also provides significant public benefit pursuant to the Planned Development Overlay zone requirements in that the proposed project is widening the sidewalk and creating a public courtyard, providing architectural interest that fits with the Embarcadero area, incorporating a (35) foot wide view corridor adjacent to the building, and including public restrooms.

## EXHIBIT E

- c. The proposed project provides the amenities identified in the WF Plan, facilitates pedestrian visual and physical access to the waterfront, and takes advantage of outward views and characteristics of the topography in that the roof elements were altered to allow for better bay views.
- d. The proposed project makes a positive contribution to the working fishing village character and quality of the Embarcadero area in that the new project will add to the pedestrian orientation while maintaining the recreational fishing/boating operations.
- e. The design recognizes the pedestrian orientation of the Embarcadero and provides an interesting and varied frontage that will enhance the pedestrian experience in that the new building will open up to the passing pedestrian via large entry doors and public plazas.
- f. The project gives its occupants and the public some variety in materials and/or application in that the building will consist of vertical and horizontal siding, vertical windows with wood sills and shutters, and metal seam roof with planter boxes and decorative paving to enhance the plazas.
- g. The project contains the elements of harmony, continuity, proportion, simplicity, and balance, and its appearance matches its function and the uses proposed in that the new structure will provide more horizontal and vertical articulation, and the public will be invited into the space via new public courtyards.
- h. The proposed project does not diminish, either directly or by cumulative impact of several similar projects, the use, enjoyment, or attractiveness of adjacent buildings and provides a visual and pedestrian transition to its immediate neighbor in that the existing and new construction is in keeping with the architectural style, massing, materials, scale, and use of its surroundings.

### **Planned Development Overlay**

- F. With approval of the project, the City finds that with the heightened level of review the proposed project is acceptable and consistent with Morro Bay standards and the project includes public benefits to deviate from the height, and lot coverage standards.

### **Architectural Consideration**

- G. As required by Ordinance Section 17.48.200 the City find that the architectural treatment and general appearance of all proposed building, structures and open areas are in keeping with the character of the surrounding areas, are compatible with any design themes adopted by the city, and are not detrimental to the orderly and harmonious development ;of the city or to the desirability of investment of occupation in the area.

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## EXHIBIT B: CONDITIONS OF APPROVAL

### STANDARD CONDITIONS

1. This permit is granted for the land described in the staff report referenced above, dated September 22, 2008 for the projects depicted on the attached plans labeled "Exhibit C" dated September 15, 2008 and on file with the Public Services Department, as modified by these conditions of approval.
2. Changes: Any minor change may be approved by the Public Services Director. Any substantial change will require the filing of an application for an amendment to be reviewed by the Planning Commission.
3. Compliance with the Law: All requirements of any law, ordinance or regulation of the State of California, City of Morro Bay, and any other governmental entity shall be complied with in the exercise of this approval.
4. Compliance with Conditions: By issuance of building permits for the proposed use or development, the owner or designee accepts and agrees to comply with all Conditions of Approval. Compliance with and execution of all conditions listed hereon shall be required prior to obtaining final building inspection clearance. Deviation from this requirement shall be permitted only by written consent of the Public Services Director and/or as authorized by the Planning Commission. Failure to comply with these conditions shall render this entitlement, at the discretion of the Director, null and void. Continuation of the use without a valid entitlement will constitute a violation of the Morro Bay Municipal Code and is a misdemeanor.
5. Compliance with Morro Bay Standards: This project shall meet all applicable requirements under the Morro Bay Municipal Code, and shall be consistent with all programs and policies contained in the Zoning Ordinance, Beach Street Specific Plan, certified Coastal Land Use plan and General Plan for the City of Morro Bay.
6. Hold Harmless: The applicant, as a condition of approval, hereby agrees to defend, indemnify, and hold harmless the City, its agents, officers, and employees, from any claim, action, or proceeding against the City as a result of the action or inaction by the City, or from any claim to attack, set aside, void, or annul this approval by the City of the applicant's project; or applicants failure to comply with conditions of approval. This condition and agreement shall be binding on all successors and assigns.

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7. Water Saving Devices: Prior to final occupancy clearance, water saving devices shall be installed in the project in accordance with the policies of the Morro Bay Coastal Land Use Plan and as approved by the Building Official.
8. Undergrounding of Utilities: Pursuant to MBMC Section 17.48.050, prior to final occupancy clearance, all on-site utilities including electrical, telephone and cable television shall be installed underground.
9. Screening of Equipment/Utility Meters/Fencing: No roof-mounted air conditioning, or heating equipment, vents, ducts and/or utility meters shall be located on the rooftop. Prior to building permit issuance, the approved location shall be shown on the project plans to illustrate no equipment can be seen.
10. Construction Hours: Pursuant to MBMC Section 9.28.030 (I), noise-generating construction related activities shall be limited to the hours of seven a.m. to seven p.m. weekdays and eight a.m. to seven p.m. on weekends, unless an exception is granted by the Director of Planning & Building pursuant to the terms of this regulation.
11. Exterior Lighting: Pursuant to MBMC Section 17.52.080, prior to building permit issuance, complete details of all exterior lighting shall be shown on the project plans for review and approval by the Director of Planning & Building. All exterior lighting shall be low level with a height of fixture not to exceed a maximum of 17 feet and shall achieve the following objectives; avoid interference with reasonable use of adjoining properties; shielded to minimize on-site and off-site glare; provide adequate on-site lighting; limit fixture height to avoid excessive illumination; provide structures which are compatible with the total design of the proposed facility.
12. Dust Control: Prior to issuance of a grading permit, a method of control to prevent dust, construction debris, and wind blown earth problems shall be submitted to and approved by the Building Official to ensure conformance with the performance standards included in MBMC Section 17.52.070.
13. Archaeology: In the event of the unforeseen encounter of subsurface materials suspected to be of an archaeological or paleontological nature, all grading or excavation shall immediately cease in the immediate area, and the find should be left untouched until a qualified professional archaeologist or paleontologist, whichever is appropriate, is contacted and called in to evaluate and make recommendations as to disposition, mitigation and/or salvage. The developer shall be liable for costs associated with the professional investigation and implementation of any protective measures as determined by the Director of Planning & Building.
14. Property Line Verification. It is owner's responsibility to verify lot lines. Prior to foundation inspection the lot corners shall be staked and setbacks marked by a licensed professional.

# EXHIBIT E

## PLANNING CONDITIONS

15. Colors and Materials: Prior to issuance of a building permit, the Public Services Director shall ensure compliance of all exterior colors and materials, including fencing materials. All other colors and materials not so specifically approved may be approved by the Director according to the following objectives: achieve compatibility with colors and materials used in the on-site improvements; achieve compatibility with the architectural design of the improvements; achieve compatibility with surrounding land uses and properties; preserve the character and integrity of the zone.
16. Signage: Prior to installation of any sign on-site, a sign program shall be approved by the Director in conformance with MBMC Chapter 17.68.
17. Soils Report: Prior to building permit issuance, the applicant shall provide all updated and project-specific soils and geology reports required by the Building Official. Project design and construction shall be consistent with recommendations contained in soils and geology reports, as required by the Building Official.

## PUBLIC WORKS CONDITIONS

18. A portion of the project site is located within FEMA designated 100-year flood zone and is subject to the requirements of MBMC 14.72 – Flood Damage Prevention, and it appears that the structure and the attendant utilities meet the requirements for protection from flooding. The following Items shall be provided:
  - a. Indicate the finished floor elevation on the construction plans.
  - b. Pre Construction and Final Elevation Certificate prepared by a registered civil engineer or licensed land surveyor shall be provided prior to final occupancy (Note this requirement on the construction Plans).
  - c. Pay the Floodplain Development Fee of \$171 prior to building permit issuance.
19. Frontage Improvements: An encroachment permit is required for the installation of the driveway approach and curb, gutter and sidewalk replacement. Encroachment permits can be obtained from the City of Morro Bay Public Services at 955 Shasta.
  - a. The Embarcadero's frontage shall have a minimum clear 8 feet wide smooth concrete sidewalk per City standards (B-5) as modified by Planning commission to allow 8' wide. Exposed aggregate shall not be used, as it doesn't meet City standards.
  - b. The existing Driveway approaches shall be removed and repaved per item a. above
20. Provide water quality treatment for the runoff resulting from a **two year storm event** either through retention (infiltration) or an alternative Water Quality BMP such as biofiltration, mechanical filtration or hydrodynamic separation.

## EXHIBIT E

- a. Drainage analysis, runoff calculations, design and justification of drainage facilities shall be preformed by a Registered Civil Engineer and submitted with the building permit application.
21. Show the location of the Fire Department connection and the back flow prevention device.
22. Indicate on the construction plan the location of all the proposed utility connections; sewer, gas, water, phone, power, etc.
23. Conduct a video inspection of the conditions of existing sewer lateral from point of connection to main connection, for City approval, prior to connection. Submit DVD to City collection system personnel. Repair or replace as required to prohibit inflow/infiltration.
24. A sewer backwater valve shall be installed on site to prevent backflow of sewage due to a blockage or maintenance of the municipal sewer main. Indicate on the plans.
25. Prepare a Sediment and Erosion control plan.

### **FIRE DEPARTMENT CONDITIONS**

26. Building and Address Identification: Approved address numbers shall be placed on all new buildings in such a position as to be plainly visible and legible from the street or road fronting the property. Said numbers shall clearly contrast with their background. The characters shall be a minimum of 5" high with a ½ " stroke.
27. Prior to final occupancy the applicant shall submit an 8-1/2" x 11" reduced copy of the floor plan and site plan for updating Fire Departments response books
28. Fire Extinguishers: The minimum fire-extinguisher requirement shall be one portable, wall-mounted for each retail space in such locations so that maximum floor travel distance does not exceed 75' to the nearest extinguisher from any portion of the building with a maximum of 3,000 square feet of floor area surveyed. Fire extinguishers listed above, will be required on site during construction.
29. Automatic Fire-Alarm Systems: Sprinkler systems shall be installed in accordance with Morro Bay Municipal Code Section 14.60.200, in all new structures along the waterfront in compliance with appropriate Uniform Building Code Standards, regardless of area separation or where required by National Fire Protection Association (NFPA) Standards, and other standards adopted by the jurisdiction.
30. Refuse Containers: Trash enclosures must comply with the 1994 Uniform Fire Code Article 1103.2.2. Dumpsters and containers with an individual capacity of 1.5 cubic yards or more shall

# EXHIBIT E

not be stored in buildings or placed within 5 feet of combustible walls, openings or combustible roof eave lines.

31. Fire Alarms: For fire alarm systems employing automatic Fire detectors or waterflow detection devices, at least one fire alarm box shall be provided to initiate a fire alarm signal. This fire alarm box (pull station) shall be located where required by the authority having jurisdiction.
32. An approved audible sprinkler flow alarm shall be provided on the exterior of the building in an approved location. An approved audible sprinkler flow alarm to alert the occupants shall be provided in the interior of the building in a normally occupied location. Action of the alarm shall be as set forth in UBC Standard N0. 9-1.

## ENVIRONMENTAL CONDITIONS

### 33. BIOLOGICAL RESOURCES

- a. Prior to the issuance of a building permit, an approved "otter watcher" shall be under contract or otherwise committed to being on the job site at all times during which the pile driver is in operation. The contract or other written agreement between the applicant and "otter watcher" shall specifically encourage and empower the "otter watcher" to stop work immediately in the event that a sea otter is detected in the project area. The contract, agreement, work scope or similar document shall further specify that no work shall be resumed until after the marine mammal has left the area. With this mitigation, the project would not have a significant impact of animals, or require a state or federal take permit.
- b. To avoid impacts, all work that disturbs the ocean floor (i.e., installation of pilings) shall be overseen and monitored by the project biologist.
- c. All docks shall be lowered in placed (following assembly) from the existing building site or by water, as stated in the Section 10 authorization from the Army Corp of Engineering.

### 34. HAZARDS/HAZARDOUS MATERIALS:

- a. Treated wood waste that is a) hazardous waste under California law, b) is not a RCRA-TWW, and c) not from electric, gas, or telephone service (not utility exempt) is eligible for the provisions of HSC sections 25150.7 & 25150.8. TWW may be disposed only in hazardous waste landfills or qualified solid waste landfills.
- b. Treated wood waste that is not hazardous under California law may be disposed at a non-hazardous landfill according to the authorization and provisions of the landfill.

### 35. HYDROLOGY/WATER QUALITY:

- a. Pilings shall be constructed of steel or pre-poured concrete and shall be implanted into the ocean floor with a pile driver, as opposed to jetting. In the past, Coastal Development Permit

## EXHIBIT E

applications issued by the California Coastal Commission have required the following additional mitigation measures. The applicant shall also comply with these conditions, as required or modified by the Coastal Commission. With this mitigation, the project would not have the potential to have significant water quality impacts.

- 1 Material Containment. Particular care shall be exercised to prevent foreign materials (e.g., construction scraps, wood preservatives, other chemicals, etc.) from entering the harbor or any other state waters. Where additional wood preservatives must be applied to cut wood surfaces, the materials, wherever feasible, shall be treated at an onshore location to preclude the possibility of spills into the harbor or other state waters. A designated staging area shall be used for refueling equipment and vehicles, mixing and storing materials, debris collection and disposal, and containing runoff from any materials that may be used or stockpiled during the project. A floating containment boom shall be placed around all active portions of a construction site where wood scraps or other floatable debris could enter the water. For any work on or beneath fixed wharf decks, heavy-duty mesh containment netting shall be maintained below all work areas where construction discards or other material could fall into the water. The floating boom and net shall be cleared daily or as often as necessary to prevent accumulation of debris.

Contractors shall insure that work crews are carefully briefed on the importance of observing the appropriate precautions and reporting any accidental spills.

Construction contracts shall contain appropriate penalty provisions, sufficient to offset the cost of retrieving or clean up of foreign materials not properly contained.

- 2 Piling Installation Procedures. Piling installation will be performed in accordance with Department of Fish and Game recommendations. Generally, the new pilings shall be installed according to the method that results in the least disturbance of bottom sediments. All piles will be driven into place with a pile driver. Disturbed sediments shall be contained with a flexible skirt surrounding the driven pile.
- 3 Procedures for Concrete Work. If pile installation, or any other portion of the operations and maintenance program, requires the pouring of concrete in, adjacent to, or over the water, the following methods shall be employed to prevent uncured concrete from entering the harbor or other state waters:
  - a. Complete dewatering of the pour site, within a caisson or other barrier; the site to remain dewatered until the concrete is sufficiently cured to prevent any significant increases in the pH of adjacent waters; or,
  - b. The tremie method, which involves placement of the form in water, inserting a plastic pipe down to the bottom of the form, and pumping concrete into the form so that the water is displaced towards the top of the form. If this method is selected, the displaced waters shall be pumped off and collected in a holding tank. The collected waters shall then be tested for pH, in accordance with the following California

# EXHIBIT E

Department of Fish and Game recommendations. If the pH is greater than 8.5, the water will be neutralized with sulfuric acid until the pH is between 8.5 and 6.5. This pH-balanced water can then be returned to the sea. However, any solids that settle out during the pH balancing process shall not be discharged to the marine environment.

- c. In each case involving such concrete pours in or near the harbor or other state waters, a separate wash out area shall be provided for concrete trucks and for tools. The wash out area(s) shall be designed and located so that there will be no chance of concrete slurry or contaminated water runoff to the harbor or other state waters, nor into storm drains or gutters which empty into such bodies of water.

## 36. LAND USE AND PLANNING

- a. If the City does not wish to re-allocate the Morro Bay Blvd. street end to merge with lease site 86 and 86W to facilitate this project, then a list of public benefits must be listed to offset the lot coverage requirement. This measure does not include the use of the street end as a public plaza. The City may use the tidelands property as deemed fit however, in order for the conference center project to meet all standards (particular lot coverage) then the area must become part of the lease site boundary.
- b. The finger slip number 18 shall be removed or modified to allow the neighboring lease to continue to gain access to the existing dock.

## 37. NOISE

- a. No amplified outdoor noise shall be allowed.
- b. Noise decibels greater than 65db at the property line shall be reduced based on an acoustical engineers evaluation but should include measures such as triple pane windows, added insulation, or chalking, the use of acoustical tiles, wall boards or sound attenuating materials.
- c. An acoustical sound engineer shall confirm the best measures to achieve the 65db level intended.

## 38. TRANSPORTATION/CIRCULATION

- a. The applicant's shall secure the agreements with Bank of America and Rabobank or other private lots to maintain an additional 73 parking spaces.
- b. The applicant's shall work with nearby hotel owners to make arrangements for accommodations during events. This shall include documenting and requesting at least one month in advance to any event which hotels/motels were contacted and the number of rooms available.
- c. For events that generate more than 100 guests the applicant shall utilize valet parking or equivalent, at the Convention Center's expense.
- d. For events greater than 175 guests the applicant shall contribute to ensure the City Trolley service or other available transportation means is running including during non-seasonal times.
- e. If the applicant fail to follow the mitigation measures than the administrative citation process shall be followed to enforce the permit, which includes written notice, escalating fines, and permit modification or revoking the permit.
- f. If the City decides the strategies outlined in the report, measures listed herein, or PMP do not provide enough assurances to off set the parking demand than the City shall decide on the

# EXHIBIT E

number of parking spaces the applicant shall pay into the In-Lieu-Fund.

## **PLANNING COMMISSION CONDITIONS**

39. The project is required to be LEED certified.
40. Public restrooms and appropriate signage will be required during business hours.
41. Coordination with the Harbor Department regarding slip design and ease of navigation.
42. The Public Plazas are recommended via new lease area however the Commission also felt enough public benefits warranted exception if needed. The Plazas are required to be open to the public 24 hours 7 days a week. An emergency access path to facilitate Fire Department was also required.
43. Parking – the Commission recommended the applicant secure an additional 87 parking spaces (public or private) in addition to the historical credits of 110 allowed. These additional 87 spaces should be outside of the Embarcadero public lots of Front Street and Tidelands. Better demonstration of their location and effective methods of transportation to and from these locations to the conference center and back during the event hours. The term for any and all off-site private locations shall enter into an agreement and run with the lease.
44. Following the implementation of the parking management strategies above a 2-year monitoring program shall be submitted to measure the success of the program.
45. A new pick-up and drop-off located across the street within the Front Street parking area near the chessboard should be designed into the project.
46. Finally, better articulation along the South-side of the building should be considered.



# CITY OF MORRO BAY PLANNING COMMISSION

February 21, 2006

AGENDA ITEM:  
ACTION: \_\_\_\_\_

**SUMMARY:**

Mixed-Use Retail and Lodging

**CASE NUMBER:**

UP0-020

**ADDRESS:**

501 Embarcadero

**LEGAL DESCRIPTION**

Lot 4 PM 3-10 Block 137, Tract Lands of  
March and McAllister, Town of Morro  
Lease Site 53-53W/56-56W  
Estero Landing

**APN**

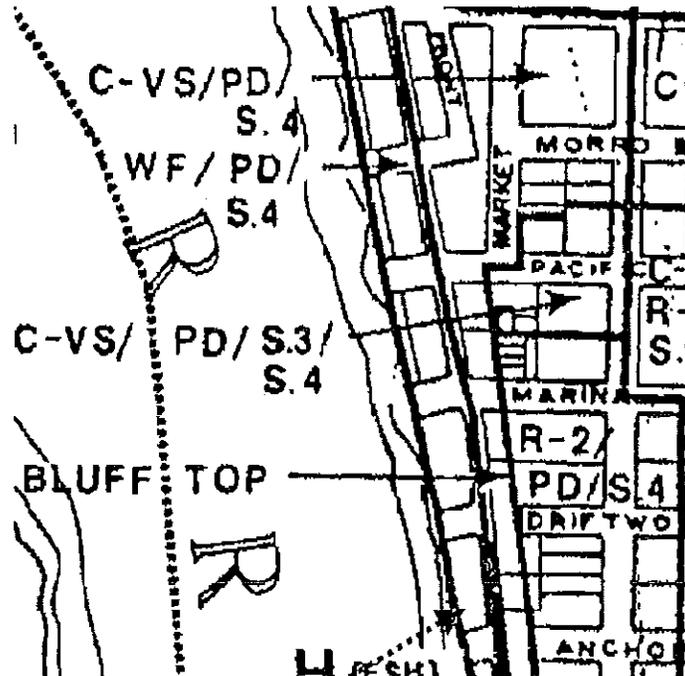
066-137-001

**APPLICANT:**

Ken Scott  
515 Morro Avenue  
Morro Bay, CA 93442

**ATTACHMENTS:**

1. Findings, Exhibit A
2. Conditions, Exhibit B
3. Graphics/Plan Reductions, Exhibit C
4. Mitigated Negative Declaration,  
Exhibit D



PROJECT SITE

**PROJECT SUMMARY**

The proposed project would demolish the existing Estero Landing office and construct a mixed-use project with the first floor as retail commercial comprising of five lease spaces ranging from 360 to 720 square feet, with the ability to combine two or more lease spaces to create a large area if needed. The second floor would consist of six lodging units approx. 2,000 square feet. The applicant is requesting flexibility in height because significant public benefit would be provided. The project would provide four parking spaces for the lodging units on-site and three offsite across the street. The applicant is granted four in-lieu spaces from previous payments for the retail spaces.

**STAFF RECOMMENDATION**

*CONDITIONALLY APPROVE THE PROJECT* by adopting a motion including the following action(s):

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- A. Approve the Mitigated Negative Declaration (Exhibit D) in accordance with the applicable provisions of the California Environmental Quality Act (Public Resources Code 21000 et. Seq.), and adopt the Findings included as Exhibit "A", including findings required by the California Environmental Quality Act (CEQA).
- B. Approve Conditional Use Permit subject to the Findings and Conditions included as Exhibits A & B and the site development plans dated February 3, 2006.

## ENVIRONMENTAL DETERMINATION

A Mitigated Negative Declaration was posted on December 21, 2005 and ended January 19, 2006 with no comments submitted. The applicant has agreed to implement the mitigation measures proposed in the Negative Declaration. Staff recommends approving the Mitigated Negative Declaration (Exhibit D) in accordance with the applicable provisions of the California Environmental Quality Act (Public Resources Code 21000 et. Seq.), approve the development plans based on the findings in Exhibit A and Conditions in Exhibit B.

## BACKGROUND

The site is leased by the City of Morro Bay for marine-related uses that currently include a floating dock, office building, and dockage of diesel powered tugboats. The project site is currently occupied by a parking lot, an office building, two cargo storage containers, a platform, and a floating dock. The current uses are primarily office related associated with a commercial fishing business that unloads on-site but sells off-site. Commercial fishing boats dock at a morning and unload commercial fish to a large transport truck.

In 1993, CUP 40-91 was issued for Central Coast Cruises, Inc., (CCC) to operate two approximately 100-foot long excursions boats with capacity for about 140 passengers each. The project required twenty-three (23) parking spacing spaces, which were met through an agreement for payments to the in-lieu fee program for twenty (20) spaces and an offsite parking agreement for three (3) parking spaces. The parking agreements are transferable with respect to operator, site location, and paid in-lieu parking fees subject to location on a city lease and city approval. Central Coast Cruises, Inc., dissolved prior to full payment of the required in-lieu fees; however, the \$14,552.00 paid to the fund will be credited to Estero Landing, Inc., for the proposed project.

On November 7, 2005 the Planning Commission heard a presentation by the applicant to receive feedback on the design and the project's ability to comply with the waterfront design guidelines. At that meeting the applicant was given clear direction from each commissioner on areas of improvement that ranged from better orientation and articulation of the structure, additional landscape and pedestrian areas, providing the biggest view corridor possible, to providing parking that meets the standards.

### Waterfront Design Guidelines

The Waterfront area of Morro Bay has been divided into five sub-areas that due to their own unique characteristics require different types of planning and design responses. The proposed project site is in Area 3: Embarcadero Visitor Area (from Beach St. to South St. between the bluff and waterfront). The City has adopted a Waterfront Master Plan, which contains Design Guidelines to assist in evaluating the quality of a design submittal. The overall objective and design intent is to enhance the positive characteristics while improving the access and parking situation. As new buildings are built and old ones rehabilitated, they should be developed to offer physical access and visual accesses to identified public viewsheds and provide pedestrian amenities. In addition, new development should not significantly change the scale of the area. Criteria has been developed for all projects that fall within this architectural overlay for view corridors, building heights, site design and parking, architectural design character and compatibility as well as public access to the water.

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## Background Issues Specific to Area 3: Embarcadero Visitor Area

The public viewshed is defined as all areas of the bay, harbor, sandspit, and Morro Rock visible from the Embarcadero, the street-ends, public observation points, and the public right-of-way at the bluff top; but not including views from private property, businesses, or residences. The following are a list of concerns:

- Traffic congestion and inadequate parking for visitors and pedestrians, this inhibits exploration of the waterfront experience.
- A greater need for pedestrian access, space and amenities, including wider sidewalks, bicycle paths and increased opportunities for lateral access along the Bayfront.
- View protection at the street level by providing glimpses of the bay through buildings and along the bluff top to allow for visual access of the bay and rock.

## Planned Development Process

In essence, when a project lies within the Planned Development Overlay (PD) zone, the PD Overlay elevates the level of review for all development to the Planning Commission via a conditional use permit process. For projects located on public property (i.e., the waterfront or State Park), or on private property exceeding one (1) acre, the PD Overlay requires a heightened review process involving concept plans and precise plans and action by both the Planning Commission and City Council. The proposed project is subject to this procedural requirement because it is located on public lease site property.

The PD Overlay also allows flexibility from strict application of zoning standards, such as density and setbacks, where a better design or public benefit would result. As stated in Section 17.40.030(A) of the Zoning Ordinance, the purpose of the PD Overlay designation is:

*"to provide for detailed and substantial analysis of development on parcels which, because of location, size or public ownership, warrant special review. This Overlay Zone is also intended to allow for the modification of or exemption from the development standards of the primary zone which would otherwise apply if such action would result in better design or other public benefit."*

The applicant is seeking the flexibility to increase the height from 17-feet to 22-feet.

## Surroundings & Characteristics

<u>Site Characteristics</u>	
Site Area	~11,000 square feet
Existing Use	Marine Support
Terrain	Paved surface, gentle slope to bay
Vegetation/Wildlife	None
Archaeological Resources	No known resources

<u>Adjacent Zoning/Land Use</u>			
North:	Morro Bay Yacht Club	South	Public Park/Coastal Access
East:	Commercial (Restaurant)	West:	Harbor (Morro Bay)

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<b>General Plan, Zoning Ordinance &amp; Local Coastal Plan Designations</b>	
General Plan/Coastal Plan Land Use Designation	Mixed Use/ Harbor
Base Zone District	Waterfront (WF)
Zoning Overlay District	Planned Development (PD)
Special Treatment Area	S-4
Combining District	N/a
Specific Plan Area	No
Coastal Zone	Yes – Original Jurisdiction

## ANALYSIS

### Development Standards

The WF/PD/S.4 zoning standards and Waterfront Design Criteria are as follows:

Development Standard	Proposed Plan	Ordinance Requirement
<b>Setbacks:</b> Rear: Side: Interior Side: Exterior Side: Front:	35'  0' 0' 5' average 10' second story	10'  0' 6' 5' average first floor 10' second
<b>Lot Coverage/Bulk &amp; Scale</b>	21% first floor 84% second	70% first floor with 70% of the first floor available to the Second
<b>Building Height</b>	22' with roof pitch of 4/12	25' maximum with 80% of all roofs having a minimum 4/12 pitch under PD Overlay so long as the viewshed is improved, or not diminished.
<b>View Corridors</b>	Volume offsets required area	50' or more 30% min. view corridor
<b>Frontage Improvements</b>	10' sidewalk	8' or more sidewalks; street amenities
<b>Landscaping</b>	Street Trees Only	Section 17.48.290
<b>Parking/Driveways</b>	Plan includes 4 spaces on-site, parking agreement for 3 spaces off-site, and previous parking in-lieu payment for 4 spaces  Parking Requirement Met	1/300 retail = 4 spaces  1/ each lodging room = 6 spaces + 1/ each 10 rooms = 1 Total of 7 spaces  No parking allowed in front setbacks, which interrupt street continuity and pedestrian passage.

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## Site Plan & Design

### Uses and parking

The existing 750 square-foot building currently houses the office functions for the commercial fishing operations. The building is at least 46 years old and sustained damage during the earthquake in 2004. The applicant proposes to demolish the structure and replace it with a mixed-use building with retail downstairs and lodging upstairs. The first floor consists of 2,304 square-feet of retail space in 5 different lease areas. The second floor consists of 6 B&B units each approx. 326 square feet. The buildings will be two-stories and connected by a pedestrian walk.

The parking configuration complies with MBMC Chapter 17.44. The applicant proposes four standard parking spaces on-site. The applicant will stripe the spaces and install wheel stops. Five percent of the parking area will be landscaped with low scrubs, perennial flowers, and trees. By far, the issue of parking is the greatest area-wide concern and the issue that draws the most complaints from residents and visitors. Seven (7) parking spaces are provided on-site or near by across the street that would allow patrons of the B&B to reasonably park near their lodging unit.

### Architecture

In staff's opinion the architectural design and character of the proposed mixed-use building is in keeping with the fishing village community and will add to the ambiance of the waterfront area. At the ground floor level, the facade is set back from the sidewalk to give a pedestrian feel with the second floor setback an additional 10 feet. Courtyards and balconies help define the shape and the uses of materials are those seen in the area. The second floor windows are oriented to capture view of the Bay; entries into the retail spaces are from the central courtyard. The wall surfaces are horizontal shiplap siding, with multilevel trim and built-up fascias.

### Public Views, Access, and Significant Benefit

The WF plan requires that public views be protected and enhanced by new development. The applicant is proposing a 22-foot high structure that will continue to allow views of the Bay. The WF plan requires a 30% view corridor for lots greater than 50 feet in width. The proposed project will incorporate amenities such as a public courtyard with benches, architecturally interesting building, widening of the sidewalk, etc.

Although the view corridor requirement specifies a linear dimension the guidelines allow the ability to offset this requirement provided the volume of space is increased. The examples given in the WF plan have been simplified for ease of illustration that represent a boxy structure in exchange for unobstructed views which does not allow for architectural relief such as balconies, pedestrian bridges, etc. However, in the real world these interesting elements are encouraged and therefore the volume of space identified in the WF plan graphics is what is being measured. Under this requirement the proposed project meets the required view corridor.

### Height

The Waterfront Master Plan allows for an increase in height above the 17-foot limit via a Conditional Use Permit in the Planned Development Overlay zone. The PD zone allows the Planning Commission to approve a 25-foot maximum height if significant public benefit can be achieved. The Commission must make the finding that the overall viewshed characteristics will be improved or, at a minimum, not diminished from the public viewing locations established within the WF plan. Additional requirements put on the project are as follows:

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1. 80% of the roofs for both one and two stories portions shall be sloping with a minimum 4 in 12 pitch;
2. Incorporate view corridors between the buildings;
3. Encourage provision of public (non-customer) viewing areas of the bay and waterfront;
4. Regardless of any findings for significant public benefit, the maximum height cannot exceed 25 feet.

This particular proposal offers all three public benefits identified in the Waterfront Master Plan including: providing 4:12 pitch roofs, approaching but not maxing out under the height limit (at 22-feet), incorporating a seven (7) foot wide view corridor between the buildings, proposing a much smaller lot coverage of (21%) when 70% could be allowed, providing a non-customer or public member viewing opportunity from a large 30' by 32' platform. Based on these identified public benefits staff believes the project meets the intent to increase the height limit over 17-feet.

Additional benefits include creating wider sidewalks to increase pedestrian circulation, which is a much-needed public benefit. Creating a courtyard within the project, adding street trees, and creating architectural interest to a structure enhances the physical and visual experience of the Embarcadero is a definite positive benefit along the Embarcadero. Additional retail and lodging opportunities at the southern end of Embarcadero allows people to see more of what Morro Bay has to offer and can add to the experience of visitors.

### Waterfront Design Guidelines Consistency

This project is consistent with the waterfront design guidelines. The applicant has not prepared photographs indicating how the new project will relate to its surroundings, but feels the changes made based on the presentation discussion provides better articulation and bulk and scale relationship by opening up views through the building and meeting the area calculation for view corridor. Lateral access has been providing to connect to Mariner Park and the Yacht Club.

The applicant is requesting permission to extend the maximum building height to allow 25-foot maximum height that is permitted by the guidelines provided there is a public benefit provided by the project and that the overall viewshed characteristics will be improved or at a minimum not diminished from the public viewing locations.

## POLICY AND CONSISTENCY ANALYSIS

### General Plan and Coastal Land Use Plan:

Applicable Planning Policies	Consistency Analysis
<p><b><u>Safety Element:</u></b></p> <p><b><u>Program S-1.5 &amp; 8.2:</u></b> structural stability and erosion control.</p> <p><b><u>Program S-6.1:</u></b> soils report required.</p> <p><b><u>Program S-3.3:</u></b> smoke detectors required.</p> <p><b><u>Programs S-7.1-S-7.4:</u></b> Rainy Season Grading Restrictions, Sediment Basins, Erosion/Drainage Control</p>	<p>A standard condition of approval has been incorporated into the project pertaining to soils report, grading, drainage and erosion control.</p> <p>Smoke detectors will be required of the project.</p> <p>A standard condition of approval has been incorporated into the project pertaining to grading, drainage and erosion control.</p>
<p><b><u>Noise Element:</u></b></p>	

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<p><b>Program N-1.3:</b> "New development of noise sensitive land uses shall not be permitted in areas exposed to existing or projected future levels of noise from transportation noise sources which exceed 0 dB, Ldn, CNEL unless the project design includes effective mitigation measures to reduce noise in outdoor activity areas and interior spaces to or below the levels specified in Table N-4."</p> <p><b>Program N-1.4</b> Stationary noise sources.</p> <p><b>Program N-4.2-4.3</b> New development shall not create a new transportation or stationary noise source.</p>	<p>The project site is not exposed to significant transportation or stationary related noise sources. Standard ordinance provisions governing construction hours ensure that impacts on surrounding properties from construction noise will be minimized.</p> <p>The proposed use will not create a new transportation or stationary noise source.</p>
<p><b>Housing Element:</b></p> <p><b>Policy H-7:</b> Inclusionary requirement</p> <p><b>Policy H-19:</b> Energy Efficiency requirement</p>	<p>The project does not meet the threshold of 8-unit development. However, an impact fee of 30 cents a sqft. is collected for all new development.</p> <p>The project will be required to meet State energy requirements.</p>
<p><b>Circulation Element:</b></p> <p><b>Sidewalks:</b> Policies C-1-C-8  <b>Bikeways:</b> Policies C-9-C-12  <b>Streets:</b> Policies C-13-C-20  <b>Parking:</b> Policies C-21-C-26  <b>Transit:</b> Policies C-27-32  <b>Harbor:</b> Policy C-33  <b>Utilities:</b> Policies C-34-C-38</p>	<p>Circulation element policies require standard curb, gutter and sidewalk improvements to adjoining public right-of-way as well as in-lieu payment for the project's pro-rata impact on area roads and intersections.</p>
<p><b>Program LU-15.1:</b> The Zoning Ordinance should encourage flexibility in the application of its development standards related to height, setbacks, and building coverage. In order that all of these development characteristics work together, rigid enforcement of any one or all of them can result in unimaginative development.</p> <p><b>Program LU-37.8:</b> Public rest areas should be incorporated into the street rights-of-way in Downtown and the Embarcadero. These areas should consist of benches, trash receptacles, drinking fountains, landscaping, information signing or kiosks and decorative paving and planters.</p>	<p>The applicant is seeking a height extension.</p> <p>The proposed project is providing wider sidewalks and benches and public courtyard.</p>
<p><b>Land Use Policies (LUP Chapter II)</b></p>	

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<p><b><u>Visitor-Serving:</u></b></p> <p>“The visitor-serving land use category is especially important to the City since tourism is a significant contributor to the local economy. This category encourages concentration of tourist-intensive uses at major destination points in the City or at locations easily accessible to travelers along State Highway One. Visitor-serving uses that should be developed in those areas designated as such are hotels/motels, overnight RV facilities, restaurants, gift shops, goods and supply stores, commercial recreation and other uses typically found to accommodate tourist needs and activities.”</p>	<p>The project provides a mixture of retail commercial, visitor serving uses on the ground floor.</p> <p>The proposed Plan incorporates a 6 lodging units on the second floor.</p>
<p><b><u>Access &amp; Recreation Element &amp; Shoreline Access &amp; Recreation /Coastal Access &amp; Recreation Policies (LUP chapter III)</u></b></p> <p><b><u>General Policies 1.01-1.07A; Access &amp; Recreation &amp; AR-9</u></b></p> <p><b><u>Policy 1.20 &amp; AR-20:</u></b> Lateral public access to the waterfront required across the bay ward portion of the site unless determined to be infeasible.</p> <p><b><u>Policy 1.26 &amp; AR-25:</u></b> “Lateral public access along the waterfront revetment shall be provided in all new developments, rehabilitation or addition projects consistent with Policy 1.20 with public safety needs and the need to protect public rights, rights of private property held by leaseholders, and natural resource areas from overuse.”</p>	<p>The project is on the bay ward side of Embarcadero therefore lateral access is required.</p> <p>The project is on the bay ward side of Embarcadero the waterfront revetment has already been repaired.</p>
<p><b><u>Coastal Visitor-Serving Facilities Policies (LUP Chapter IV)</u></b></p> <p><b><u>General Policies 2.01-2.02</u></b></p> <p><b><u>Policy 2.03:</u></b> “... the Embarcadero between Beach Street on the north, Main Street on the east, Olive Street on the south and the waterfront area on the west, shall be considered a mixed commercial fishing and visitor serving recreation use area. With regard to the siting of new developments, priority shall be given for coastal-dependent uses located on the west side of the Embarcadero.”</p> <p><b><u>Policy 2.08:</u></b> provision of off-street parking is sufficient to serve the development’s peak demands.</p>	<p>The project is located on the west side of the Embarcadero and primarily for visitor serving use.</p> <p>The project previously paid in-lieu-fees for 4 spaces and providing 4 spaces on-site, parking agreement for 3 spaces off-site.</p>

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<p><b><u>Public Works (LUP Chapter V)</u></b></p> <p><b>Policy 3.01:</b> The City of Morro Bay shall approve future growth in conjunction with water and sewage treatment availability.</p> <p><b>Policies 3.02-3.06:</b> In the City of Morro Bay water allocation, the City shall insure the following uses receive priority for available water and wastewater treatment facilities:          Commercial Fishing / Agriculture          Coastal-Dependent Land Uses          Coastal-Related Land Uses          Public Services and Basic Industries          Public Recreation          Commercial Recreation          Visitor-Serving Land Uses          Residential and other Commercial and Industrial Land Uses</p> <p><b>Policy 3.07:</b> Water-saving devices shall be required in new developments.</p>	<p>The project is consistent with the City's growth projections and adequate water and sewer is available.</p> <p>The project is a visitor serving retail use and will receive priority.</p> <p>The project as conditioned will be required to provide water saving devices.</p>
<p><b><u>Archaeology (LUP Chapter VI)</u></b></p> <p><b>Policy 4.01- 4.08 &amp; LU-82:</b> reconnaissance, discovered, and protection of significant archaeological and historic resources to the greatest extent possible.</p>	<p>The entire project is located on fill placed in connection with creation of the Embarcadero therefore archaeological resources are not anticipated. However. A standard condition of approval has been incorporated into the project, which specifies procedures in the event archaeological resources are uncovered.</p>
<p><b><u>Energy/Industrial Development (LUP Chapter VII)</u></b></p> <p><b>General Policies 5.01-5.22:</b> more specifically related to the PG&amp;E property.</p>	<p>Not applicable</p>
<p><b><u>Coastal Agriculture (LUP Chapter VIII)</u></b></p> <p><b>General Policies 6.01-6.09:</b> prime and non-prime soils.</p>	<p>Not applicable</p>
<p><b><u>Commercial Fishing/Recreational Boating Policies (LUP Chapter IX)</u></b></p> <p><b>General Policies 7.01-7.08</b></p> <p><b>Policy 7.06A:</b> "The Embarcadero...shall be considered a mixed commercial fishing and visitor-serving area. Public access and recreational opportunities shall be maximized</p>	<p>See above discussion.</p>

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<p>along the waterfront consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resources from overuse. Public access from the nearest public roadway to the shoreline and along the bay front shall be provided..."</p>	
<p><b><u>Diking, Dredging, Filling and Shoreline Protection Policies (LUP Chapter XI):</u></b></p> <p><b><u>General Policies 10.01-10.11</u></b></p>	<p>Not Applicable. Work associated with the floating dock and revetment has been completed or is not a part of the project.</p>
<p><b><u>Environmentally Sensitive Habitat Policies (LUP Chapter XII)</u></b></p> <p><b>Policy 11.08:</b> "Pollutants such as chemicals, fuels, lubricants, raw sewage and other harmful wastes generated during commercial or recreational boating activities shall be prohibited from being discharged into the bay."</p>	<p>The project site is not within a designated ESH area; however, it is adjacent to the bay. Conditions of approval have been added that address polluting the bay.</p>
<p><b><u>Visual Resource &amp; Scenic Highway Elements &amp; Coastal Land use Plan Visual Resource Policies (LUP Chapter XIII)</u></b></p> <p><b>Policy 12.01 &amp; VR-2:</b> "The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic and coastal areas..."</p> <p><b>Policy 12.02 &amp; VR-2.2:</b> "...Specific design criteria shall be established... (a) building height/bulk relationship compatible with existing surround uses; (b) landscaping to restore and enhance visually degraded areas... (c) preservation and enhancement of views of the ocean, bay, sand spit and Morro Rock..."</p> <p><b>Policy 12.07 &amp; VR-6:</b> The City shall establish a policy for undergrounding of utilities in connection with new development or major redevelopments.</p> <p><b>Program VR-4.3-4.4:</b> provision for street trees that are adequately placed, species and height</p>	<p>The attached Exhibits provide evidence that the project will be consistent with Polices 12.01 &amp; 12.02. Additionally, standard Planning Division conditions of approval and mitigation measures have been incorporated into the project ensuring compliance with design guidelines included in the Waterfront Master Plan.</p> <p>The project as conditioned will be required to underground its utilities.</p> <p>The project proposes 2 street trees to be identified by Public Works that does not exceed 20 feet in height.</p>

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Existing Land Uses surrounding the project site are a public park that provides coastal access, a private boatyard, the harbor, and commercial uses. The commercial uses are other marine-related services and restaurants. The proposed uses will not conflict with existing uses and are consistent with the General Plan and Local Coastal Program. The project is not expected to conflict with any policies in the applicable elements of the General and Coastal Land Use plans. Engineering Conditions are included to insure that the project does not conflict with General Plan Program LU-58.1/LUP Policy 11.08 which states "Pollutants such as chemicals, fuels, lubricants, raw sewage and other harmful wastes generated during commercial or recreational boating activities shall be prohibited from being discharged into the bay." Conditions 21-23 require the applicant to install oil-water separator and/or drainage inlets to prevent petroleum hydrocarbons and sediment from draining to the bay.

## PUBLIC NOTICE:

Notice of this item was posted at the site and published in the San Luis Obispo Telegram-Tribune newspaper on February 10, 2006 and all property owners of record within 300 feet and occupants within 100 feet of the subject site were notified of this evening's public hearing and invited to voice any concerns on this application.

## CONCLUSION:

The proposed project would be consistent with all applicable development standards of the Zoning Ordinance, and applicable provisions of the General Plan, Local Coastal Plan, and Waterfront Master Plan in that the public benefit provided to offset the height requested were warranted and created a better project. A Mitigated Negative declaration has been prepared for this project.

Report prepared by: Mike Prater, Senior Planner

# EXHIBIT F

## EXHIBIT G

TU 196

Case File

CALIFORNIA COASTAL COMMISSION  
 Central Coast Area  
 640 Capitola Road  
 Santa Cruz, CA 95062-2799  
 (408) 479-3511

Filed: 12/18/92  
 49th Day: 02/05/93  
 180th Day: 06/16/93  
 Staff: SG/cm  
 Staff Report: 12/22/92 1435P  
 Hearing Date: 01/12/93

STAFF REPORT: CONSENT CALENDAR

APPLICATION NO.: 3-92-86

APPLICANT: ROBERT GRAY AGENT: Gene Doughty

PROJECT LOCATION: 561 Embarcadero; City of Morro Bay

PROJECT DESCRIPTION: Proposal to construct a 1,290 square foot addition to an existing two unit motel and art gallery to include a 420 square foot motel unit, 570 square foot framing workshop, and a 300 square foot office to result in a three unit motel and art gallery with framing workshop and office.

Lot area:	4,663 square feet
Building coverage:	1,750 square feet
Pavement/Decking coverage:	2,615 square feet
Unimproved Area:	218 square feet
Landscape coverage:	80 square feet
Parking spaces:	Required: 6
	On-Site: 3
Zoning:	WF/PD/H/S.4
Plan designation:	Waterfront/Mixed Uses/Harbor/Planned Development
Ht abv fin grade:	21 feet, 9 inches

LOCAL APPROVALS RECEIVED: CUP 07-92, Concept Plan, 10/12/92

SUBSTANTIVE FILE DOCUMENTS: Morro Bay Certified LCP

STAFF RECOMMENDATION:

The staff recommends that the Commission adopt the following resolution:

I. Approval with Conditions.

The Commission hereby grants a permit, subject to the conditions below, for the proposed development on the grounds that the development will be in conformity with the provisions of Chapter 3 of the California Coastal Act of 1976, will not prejudice the ability of the local government having jurisdiction over the area to prepare a Local Coastal Program conforming to the provisions of Chapter 3 of the Coastal Act, and will not have any significant adverse impacts on the environment within the meaning of the California Environmental Quality Act.

EXHIBITS:

- A. Standard Conditions
- B. Area Map
- C. Vicinity Map
- D. Floor Plan and Elevations
- E. Driftwood Streetend View
- F. Marina Street View

II. Standard Conditions. See attached Exhibit A.

III. Special Conditions.

A. Access

PRIOR TO THE TRANSMITTAL OF THE COASTAL DEVELOPMENT PERMIT, a copy of the public access program including signage shall be submitted to the Executive Director for review and approval. Applicant shall provide full public access to the deck leading to the existing gangway. No public access is required on the gangway, the existing four-slip marina, or the motel deck.

B. Parking

Prior to the issuance of a building permit, the applicant shall provide the Executive Director with a copy of the City-approved off-site parking agreement for three automobile parking spaces, or proof of payment of in-lieu parking fees for three vehicle parking spaces or proof of City approval for incorporation of the required in-lieu parking fees into the lease site payment schedule.

C. Other

All requirements of the City's CUP 07-92 are hereby incorporated into this coastal development permit. Any amendment of the City permit shall require an amendment to this permit.

IV. Findings and Declarations.

The Commission hereby finds and declares:

A. Project Location and Description

The project site is on the west side of the Embarcadero between the Embarcadero and the estuary of Morro Bay one block south of Marina Street. The site is City Lease Site 63-4 and 63-4W.

The proposal is to construct a second story addition to an existing two-unit motel and art gallery. The proposal would result in a third motel unit above the existing two and an office and framing workshop above the art gallery. The addition would be within the footprint of the existing structure; no additional area of the site would be covered by the structure. All of the work would be on the land area of the lease site; no work is proposed over the water.

B. Public Access, Parking and Circulation

Coastal Act Section 30212 provides for public access in new development from the nearest public road to and along the coast:

Section 30212 (part).

(a) Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects except where:

- (1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources,
- (2) adequate access exists nearby, or,
- (3) agriculture would be adversely affected. Dedicated accessway shall not be required to be opened to public use until a public agency or private association agrees to accept responsibility for maintenance and liability of the accessway.

Public access to the gangway deck is currently provided. Since this site is a City lease of State tidelands granted first to the County and passed to the City upon incorporation, provision of access is protected through the lease agreement. This proposal will continue to provide public access from the Embarcadero out to the edge of the water on the gangway deck. It is therefore consistent with Coastal Act Section 30212 (See Exhibit D).

Section 30252 of the Coastal Act provides that:

Section 30252.

The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads, (3) providing nonautomobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for public transit for high

intensity uses such as high-rise office buildings, and by (6) assuring that the recreational needs of new residents will not overload nearby coastal recreation areas by correlating the amount of development with local park acquisition and development plans with the provision of onsite recreational facilities to serve the new development.

Section 30212.5 provides that:

Section 30212.5.

Wherever appropriate and feasible, public facilities, including parking areas or facilities, shall be distributed throughout an area so as to mitigate against the impacts, social and otherwise, of overcrowding or overuse by the public of any single area.

The City's LCP contains the following policies for providing parking on the Embarcadero and environs:

Policy 1.07A. In reviewing all new development requests, provision shall be made for adequate off-street parking in order to serve the needs of the development. Once an approved parking management program for the City providing off-street parking resources has been developed and implemented as a part of the LUP, new development shall be allowed to satisfy parking requirements through participation in such a program. If the program includes an in-lieu fee system, the new development shall provide an in-lieu fee of an amount equal to the purchase of land and construction of the number of spaces needed to serve the development's needs.

Policy 2.08. In reviewing visitor-serving development in the Embarcadero as defined in Policy 2.03, the City shall find that provision of off-street parking is sufficient to serve the development's peak demands as defined in Phase III of the Local Coastal Program. Parking demands shall be satisfied by the provision of off-street facilities on the development site or within 300 feet. Once a parking management program for the Embarcadero has been developed which provides off-street parking resources, and such a program is implemented, applications for development shall be allowed to satisfy their peak parking demands through participation in the program. If the program includes an in-lieu fee system, the applicant shall provide the City an in-lieu fee of an amount equal to the purchase of land and construction of the number of spaces needed to serve the development's peak needs. The City shall use the fees to provide for parking support in the Embarcadero.

The City's implementing ordinances contains the following section:

17.33.090 [Waterfront District] Parking(part). Applications for a conditional use permit for new development shall include a plan for parking and landscaping of parking areas in accordance with Chapter 17.44 and Sections 17.48.310 of this Title, and with the following additional provisions:

- A. In reviewing applications for visitor-serving uses in the West Embarcadero, provision of off-street parking shall be found to be sufficient to serve the needs generated by the development as required by Chapter 17.44 and as follows:
1. Parking demands shall be satisfied by the provision of off-street facilities on the development site or within 300 feet;
  2. When a parking management plan which provides off-street parking resources for the Embarcadero has been developed and implemented, applications for development in this district shall be allowed to satisfy their parking requirements through participation in the program, including any provision for an in-lieu fee system.

Parking along the Embarcadero is extremely limited during peak use periods during the summer and on holidays. According to the City's parking requirements, this proposed addition would require three additional parking spaces; currently three exist: two for the two existing motel units and one for the gallery. There is no room on the site for more spaces. The motel units are the most intensive use on the site and the use which most needs site specific parking spaces since virtually all guests would travel by car to the motel. The art gallery and associated framing workshop cater mostly to walk-in clientele who are visiting the Embarcadero generally and happen to stop to view and purchase art work. The applicant must either pay in-lieu fees to the City or else obtain approval from the City of an off-site parking agreement. In either event, the proposal is consistent with the Coastal Act for access and parking.

C. Visual Resources

Coastal Act Section 30251 provides that:

Section 30251.

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

Immediately to the north and south of this site are sites with two story structures. Views from the Embarcadero to and along the estuary, the sandspit across the estuary, and Morro Rock, about three-quarters of a mile northwest of the site, will not be blocked or infringed upon to any significant degree by the addition of a second story to the existing structure. Views from the Driftwood Street streetend on the blufftop southeast of the site to the Rock and the sandspit will not change. There will be a loss of a small portion of the view of the estuary from this blufftop streetend; however there will remain a completely unobstructed view of the estuary along the truncated portion of Driftwood Street below the bluff that deadends at the estuary about 30 feet south of the subject site (See Exhibit E). The view from Marina Street, which runs down the bluff to intersect the Embarcadero northeast of the site, currently allows glimpses of the estuary and the sandspit beyond. A small portion of the view toward the estuary and sandspit would be lost by the second story addition. For motorists the view is fleeting at best; pedestrians get more of a view because of their slower pace, but in either case this view is minor because of the angle of the view and the buildings and trees that interrupt it. However, the portion of Driftwood south of the site ending at the estuary would still allow an open area for a view to the estuary and sandspit (See Exhibit F).

The height and finish of the structure will be compatible with the character of the surrounding areas and no significant view will be degraded or lost. The proposal can be considered consistent with the Coastal Act.

#### D. CEQA

The site lies within the City of Morro Bay, but falls within the Commission's area of original permit jurisdiction because it is located on potential State tide lands which have been filled. The Commission's permit process has been designated the functional equivalent of CEQA. CEQA provides for the exemption of certain types of projects from environmental review, including additions to existing structures if the addition does not result in an increase of more than 10,000 square feet, if all public services are available to allow for maximum development permissible, and if the project area is not environmentally sensitive. This proposed project would result in only a 1,290 square foot addition in an intensively developed area of the City where sewer, water, and all other public services exist and would not involve development in the estuary, an environmentally sensitive area. All work would be on the land. Therefore the proposal is exempt from environmental review and is consistent with CEQA and the Coastal Act.



AGENDA ITEM: XIA  
ACTION: \_\_\_\_\_

**CITY OF MORRO BAY  
PLANNING COMMISSION**

January 5, 2003

**PROJECT SUMMARY**

**FILE NUMBERS**

CUP 25-03R

**LEGAL DESCRIPTION(S)**

City of Morro Bay Lease Sites 91-2 & 91-2W

**APN(S)**

066-352-018 & 041

**APPLICANT:**

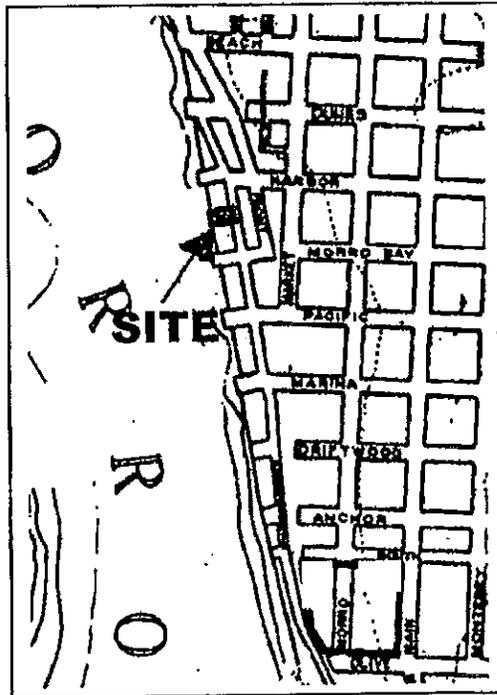
Rodger Anderson

**AGENT:**

Simon Puglisi

**ATTACHMENTS:**

1. Findings, Exhibit A
2. Conditions, Exhibit B
3. Graphics/Plan reductions, Exhibit C
4. Plans
5. Photo Simulations
6. Mitigated Negative Declaration



Vicinity Map

**ISSUE SUMMARY**

The applicant is proposing to replace the existing Galley restaurant with three commercial lease spaces and an eight room inn.

**STAFF RECOMMENDATION**

*CONDITIONALLY APPROVE THE PROJECT* by adopting a motion including the following action(s):

- A. Adopt the Findings included as Exhibit "A";
- B. Approve the Concept Plan for CUP 28-02, subject to the Conditions included as Exhibit "B" and the site development plans dated September 17, 2003.

**ENVIRONMENTAL DETERMINATION:**

A Mitigated Negative Declaration was posted on November 21, 2003. The applicant has agreed to implement the mitigation measures proposed in the Negative Declaration. Thus there are no significant impacts with the implementation of those mitigation measures.

# EXHIBIT H

Roger Anderson  
CUP 25-03

Planning Commission  
January 5, 2003

## BACKGROUND:

<u>Adjacent Zoning/Land Use</u>			
North:	WF/PD/S.4-Street then Restaurant	South	WF/PD/S.4-Restaurant & Gift Shop
East:	Embarcadero & Vacant lot	West:	H-Harbor

<u>Site Characteristics</u>	
Site Area	Approximately 10,226 square feet (6,696 land area and 3,530 water)
Existing Use	Restaurant and retail shop
Terrain:	Level
Vegetation/Wildlife	None, developed site
Archaeological Resources	None, fill and water
Access	Embarcadero

<u>General Plan, Zoning Ordinance &amp; Local Coastal Plan Designations</u>	
General Plan/Coastal Plan Land Use Designation	Mixed Uses (Harbor)
Base Zone District	WF – Water Front
Zoning Overlay District	PD – Planned Development
Special Treatment Area	S-4 – Design Criteria
Combining District	
Specific Plan Area	No
Coastal Zone	Yes, Coastal Commission original jurisdiction

## GENERAL PLAN AND LOCAL COASTAL PLAN CONSISTENCY

Program VR-2.2 in the Visual Resources and Scenic Highway Element, requires view easements or corridors designed to protect views to and along the ocean and scenic and coastal areas for areas identified in the plan. This is one of those identified areas and the proposal implements that requirement because the public is given access to the ocean side of the developments. This project now provides a view corridor that did not previously exist and complies with the policy.

## WATERFRONT DESIGN GUIDELINES

This project is consistent with the waterfront design guidelines. The applicant has prepared the required photographs indicating how the new project will relate to its surroundings. The photographs are attached to this report. As can clearly be seen, the project will provide the view corridors required of the guidelines, that do not now exist, and the structure does not substantially impact views of the ocean and Morro Rock. The required lateral and vertical access is proposed consistent with the guidelines.

The applicant is requesting the maximum 25 foot maximum height that is permitted by the guidelines provided there is a public benefit provided by the project and that the overall viewshed characteristics will be improved or at a minimum not diminished from the public viewing locations. For a public benefit the applicant is proposing a public restroom on the site and is proposing architecture of a superior quality. The architecture provides a well articulated building a character in keeping with the neighboring properties and the character along the waterfront.

# EXHIBIT H

Roger Anderson  
CUP 25-03

Planning Commission  
January 5, 2003

## ZONING ORDINANCE

Section 17.24.B. 9. for the Waterfront (WF) district required public access subject to Section 17.48.280. That section requires lateral public access of eight feet in width along the bayward side of development. This proposal is in compliance with the coastal access requirements because such an access way is proposed. The uses proposed are permitted in the WF land use category.

The site currently has a portion of the parking partially on the street and partially on the lease site. This arrangement is proposed to be retained. The proposed inn units each have a parking space provided as required by the zoning ordinance. The new project will have less parking demand from the restaurant (a high parking demand use), because the proposed restaurant area is smaller in area than the existing restaurant while the retail area, (a low parking demand use) will be increased in area. Thus, there will be a net benefit to parking from the new project. Parking requirements are clearing indicated on the project plans.

## ENVIRONMENTAL ISSUES

### Ellgrass:

The 210 square feet of eelgrass (*Zostera marina*) is classified as a Special Aquatic Site under the Clean Water Act. Eelgrass is an important foraging and rearing habitat for several species of importance. Several species of commercial or recreational importance are known to associate with eelgrass. While there are no pilings to be placed directly into the eelgrass bed, the proposed improvements on the site may impact the eelgrass due to shading from the accessway and dock. Some researchers have indicated that eelgrass can adapt to low light while others indicate that there is a decline following shading. For these reasons a mitigation measure is proposed that the eelgrass be monitored by a qualified biologist annually for three years and if any decrease in the area be mitigated on a one to one basis. While the biologist suggested this mitigation, it appears to be consistent with the Southern California Eelgrass Mitigation Policy of The National Marine Fisheries Service. In addition, mitigation measures to avoid hazardous chemicals impacting the eelgrass are proposed.

### Mammals and Birds

Otters and pelicans can be impacted by noise or activity associated with the construction of the project. However, this impact is considered negligible since there is other ambient noise in the environment such as boat traffic and tourist. Harassment of the wildlife should be mitigated as well as other hazards to wildlife. Mitigation measures are proposed that reduce impacts associated with the construction that include not permitting dogs on the construction site, and covering trash and garbage receptacles.

For protected species, there are two types of potential harassment of the animals. They are basically intentional harassment and unintentional such as noise that might be caused by construction. Either is a violation of federal law. A mitigation measure is proposed that requires a person on site to watch for the animals.

### Air Pollution

While the Air Pollution Control District indicated in their letter of December 22, 2003 that the project does not exceed any of the air quality thresholds they did indicate their requirements for projects under one acre in size. These requirements have been incorporated in the conditions of approval so assure that the applicant is aware of them. The APCD also provided information about building demolition and asbestos. As a requirements of a building or demolition permit the applicant is required to address the issue of asbestos abatement on the site. An asbestos report is required and proper abatement must take place as a part of the building permit.

# EXHIBIT H

Roger Anderson  
CUP 25-03

Planning Commission  
January 5, 2003

## PUBLIC NOTICE

Notice of this item was published in the San Luis Obispo Telegram-Tribune newspaper on, and all property owners of record within 300 feet of the subject site and occupants within 100 feet of the subject site were notified of this evening's public hearing and invited to voice any concerns on this application.

## CONCLUSION

The proposed project is consistent with the applicable development standards of the zoning ordinance and all applicable provisions of the General Plan, Local Coastal Plan and Waterfront Design Guidelines with incorporation of recommended conditions. It has been determined to not have significant impacts on the environment with the implementation of the mitigation measures contained in the Mitigated Negative Declaration to which the applicant has agreed.

Report prepared by: Greig S. Cummings, Planning Manager

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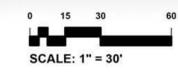


**Project Quantities**

Existing Parking	314
Total Proposed Parking	351
Net Gain Parking	37
Boat Repair Stalls	10
Dry Boat Storage	50

Morro Bay Triangle Lot - Option A

C-2



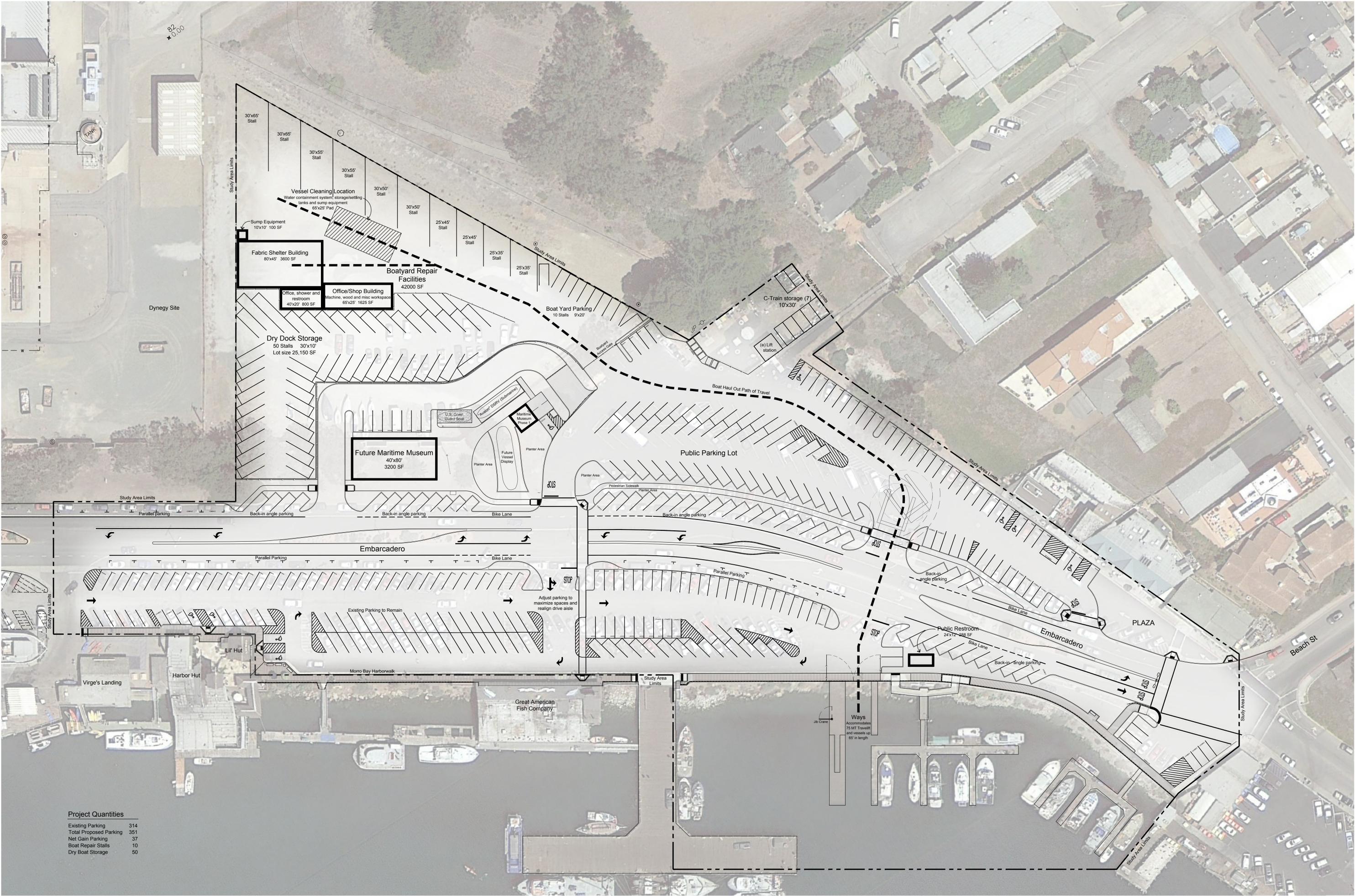
Base Map  
December 3, 2015





**Project Quantities**

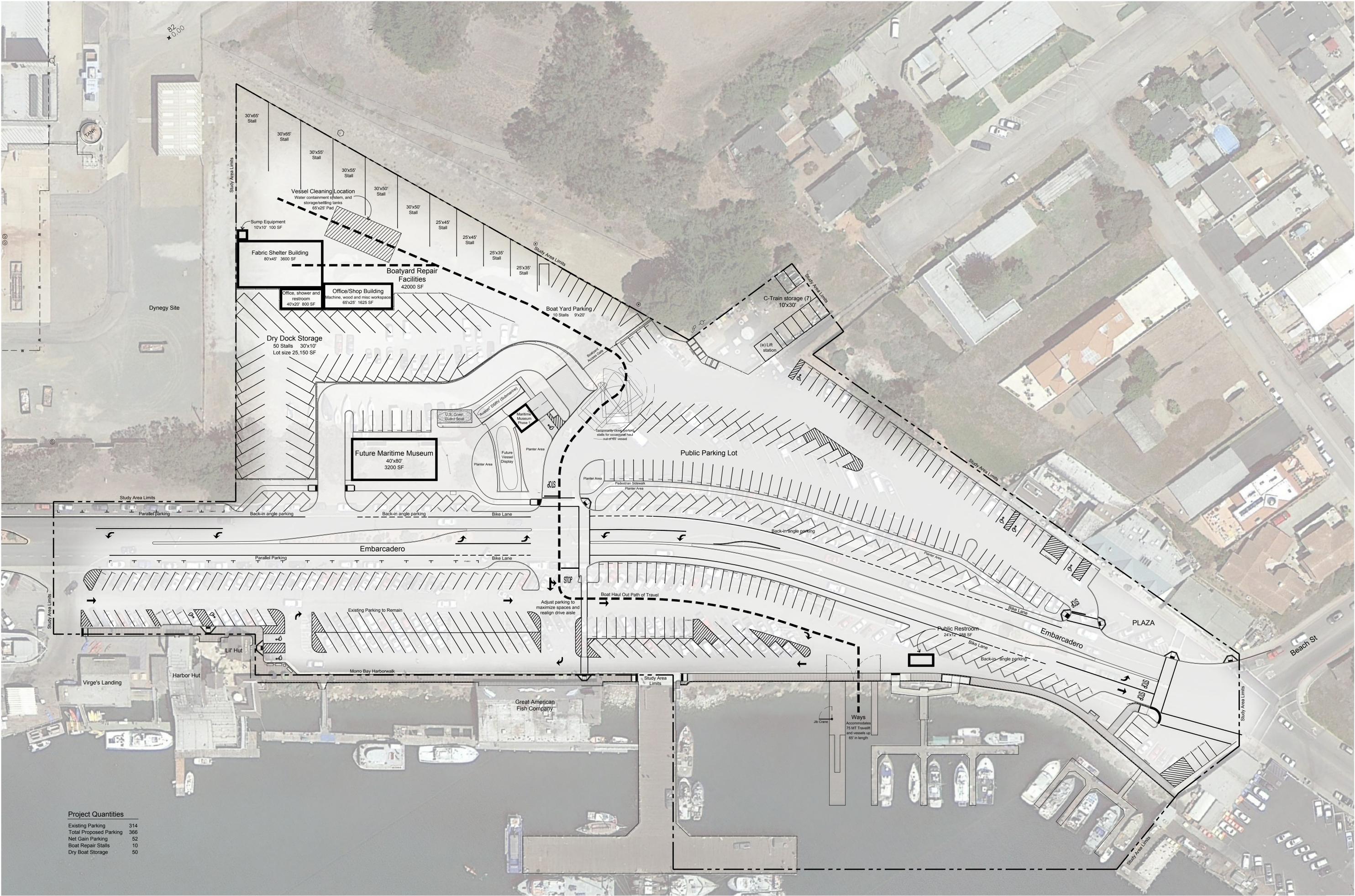
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