



Community & Economic Development Department

Memo

To: Planning Commission

From: Gina Paolini, Principal Planner

Date: March 2, 2026

Subject: Item 6A – 1475 41st Avenue and 1404 38th Avenue- Tesla

Staff is proposing modifications to the Conditions of Approval provided in the March 5, 2026 Planning Commission agenda report. To be consistent with other vehicle dealership approvals, the following Conditions of Approval are recommended to be added to the project:

27. All exterior doors, including maintenance doors, shall remain closed except when a vehicle is entering or exiting the service center.
28. No car repairs shall be made during the hours of 11:00 P.M. to 6:00 A.M.
29. All employees will receive necessary training to eliminate accidentally setting off car alarms.
30. The project shall be designed to eliminate any horn honking when going around building corners. Applicant shall install mirrors or other devices as necessary to eliminate the need to honk a horn to safely go around a corner.
31. No public address system will be used at this dealership. No outside public address speakers should be allowed.

The Conditions of Approval have been updated with the additional conditions shown in underlined text.

UPDATED CONDITIONS OF APPROVAL

General Conditions

1. The project approval consists of a Coastal Development Permit, Design Permit and Conditional Use Permit for the remodel of an existing tenant space within the King's Plaza Shopping Center (former Rite Aid) to accommodate a Tesla auto dealership, and associated signage located at 1475 41st Avenue (APN 034-151-20) and vehicle storage area at 1404 38th Avenue (APN 034-164-41). Coastal Development Permit, Design Permit and Conditional Use Permit No. 25-0464, is approved as indicated on the final plans reviewed and approved by the Planning Commission on March 5, 2026, except as modified through conditions imposed by the Planning Commission during the hearing.
2. This permit shall expire 24 months from the date of issuance unless exercised. The applicant shall have an approved building permit and construction underway before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration pursuant to Municipal Code section 17.156.080.
3. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this permit. Final building plans shall be consistent with the plans approved by the Planning Commission. All construction and site improvements shall be completed according to the approved plans.
4. At the time of submittal for building permit review, the Conditions of Approval must be printed in full on the construction plans.
5. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of nine p.m. and seven-thirty a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between nine a.m. and four p.m. or emergency work approved by the building official. §9.12.010B.
6. Prior to issuance of a Certificate of Occupancy, compliance with all conditions of approval shall be demonstrated to the satisfaction of the Community Development Director. Upon evidence of non-compliance with conditions of approval or applicable municipal code provisions, the applicant shall remedy the non-compliance to the satisfaction of the Community Development Director or shall file an application for a permit amendment for Planning Commission consideration. Failure to remedy a non-compliance in a timely manner may result in permit revocation.
7. The planning and infrastructure review and approval are transferable with the title to the underlying property so that an approved project may be conveyed or assigned by the applicant to others without losing the approval. The permit cannot be transferred off the site on which the approval was granted.
8. The project applicant shall designate a "disturbance coordinator" who will be responsible for responding to any local complaints regarding construction noise or activity. The

coordinator (who may be an employee of the general contractor) will determine the cause of the complaint and will require that reasonable measures warranted to correct the problem be implemented. The name and telephone number of the disturbance coordinator shall be conspicuously posted at the construction site fence and on any notifications sent to neighbors. The sign/banner must also list an emergency after-hours contact number for emergency personnel.

9. Green Waste is the City's exclusive hauler for recycling and disposal of construction and demolition debris. For all debris boxes, contact Green Waste. Using another hauler may violate City Code Section 8.04 and result in Code Enforcement action.

Planning Department Conditions

10. Prior to making any changes to the approved plans, modifications must be specifically requested and submitted in writing to the Community Development Department. Any significant changes to the size or exterior appearance of the structure shall require Planning Commission approval.
11. Prior to issuance of a building permit, all Planning fees associated with Permit #25-0464 shall be paid in full.
12. Air-conditioning equipment or other mechanical equipment shall be screened from view and fall within allowable city-permitted decibel levels. Additional details showing equipment locations and any mechanical screens shall be shown on the building permit plans.
13. Outdoor luminaires shall be energy-efficient fixtures controlled by motion sensors and incorporate cut-off controls and outdoor lighting controls. Outdoor lighting shall comply with all relevant standards pursuant to Municipal Code Section 17.96.110, including that all outdoor lighting shall be shielded and directed downward such that the lighting is not directly visible from the public right-of-way or adjoining properties.
14. Prior to issuance of a building permit, the Building Permit plans will be routed for plan approval to the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District and Central Fire Protection District.
15. The Applicant or permittee shall defend, indemnify, and hold harmless the City of Capitola, its agents, officers, and employees from any claim, action, or proceeding against the City of Capitola or its agents, officers, or employees to attack, set aside, void, or annul an approval of the Planning Commission, City Council, Community Development Director, or any other department, committee, or agency of the City concerning a development, variance, permit, or land use approval; provided, however, that the Applicant's or permittee's duty to so defend, indemnify, and hold harmless shall be subject to the City's promptly notifying the Applicant or permittee of any said claim, action, or proceeding and the City's full cooperation in the Applicant's or permittee's defense of said claims, actions or proceedings.

16. Prior to occupancy, the Landscape Architect shall certify in writing that the landscaping and irrigation has been installed in accordance with all aspects of the approved landscape plans, subject to final approval by the Community Development Director.
17. Pursuant to CMC Section 17.72.070 (Landscape Maintenance), the property owner shall replace dead and dying plants, and add mulch to the landscaped areas along the south and east property line and existing paved lot for employee parking, as required by the Community Development Director. All planting shall be maintained, as required by CMC Section 17.72.070.
18. At time of submittal for demolition and/or building permit review, the applicant shall include a demolition work of scope statement and a demolition plan clearly identifying all areas of walls and floors to be demolished. The City may require a letter from a structural engineer. Any modifications to the demolition plans, including modifications to the scope of work, means and methods of demolition/construction, or changes to the framing, windows, or any other exterior elements shall be submitted to the Building Department for review and approval prior to proceeding with demolition and/or construction. In the course of construction, the City may require additional plans as they deem necessary.
19. Any sign illumination must be screened from direct view, so that the illumination does not shine into adjacent property or distract motorists or pedestrians.
20. Wall signs shall use illumination within the lettering and logo only. The background must be solid and may not be illuminated.
21. All illumination must comply with the standards of the sign ordinance and municipal code. Animated signs and moving lights are prohibited. No sign shall have an intensity of more than fifty foot-candles as measured from the ground level.
22. The site and improvements shall be well maintained and kept free of litter, debris, weeds and graffiti. Any graffiti shall be removed within 72 hours of discovery in a manner which retains the existing color and texture of the original wall or fence as most practically feasible.
23. All loading must take place on-site. No loading may take place in the street or block any sidewalk.
24. Hours for deliveries to the store shall be limited to 6:00 A.M. – 10:00 P.M. to minimize noise impacts to neighboring residents. Delivery vehicles shall not be permitted to remain at idle during non-delivery hours, shall utilize the loading zone at the rear of the property, and shall not stop or park within 200 feet of residential property boundaries.
25. The vehicle service center shall not exceed noise levels of sixty dBA as measured from the property line of a residentially zoned property. The service center shall not exceed noise levels of seventy dBA measured from all other property lines. Prior to issuance of

building permit, A licensed acoustical engineer shall certify that the improvements within the building and the building itself will attenuate all noise occurring within the building so that the noise level outside of the building does not exceed 60 decibels during any period. If the study finds noise levels will exceed 60 decibels, the licensed acoustical engineer shall provide necessary mitigation measures to insure that exterior noise levels do not exceed 60 decibels, with possible mitigation including but not limited to insulating and enclosing necessary mechanical devices and and/or insulating the actual structure.

26. Tesla shall maintain the Capitola location as a point-of-sale retail outlet in accordance with the provisions of the California Sales and Use Tax Regulations now in effect and as amended from time to time.
27. All exterior doors, including maintenance doors, shall remain closed except when a vehicle is entering or exiting the service center.
28. No car repairs shall be made during the hours of 11:00 P.M. to 6:00 A.M.
29. All employees will receive necessary training to eliminate accidentally setting off car alarms.
30. The project shall be designed to eliminate any horn honking when going around building corners. Applicant shall install mirrors or other devices as necessary to eliminate the need to honk a horn to safely go around a corner.
31. No public address system will be used at this dealership. No outside public address speakers should be allowed.

Public Works Department Conditions

32. Applicant shall notify the Public Works Department 24 hours in advance of the commencement of work. A pre-construction inspection must be conducted by the grading official, or appointed staff to verify compliance with the approved erosion and sediment control plan. All BMPs, sediment and erosion control measures shall be installed prior to the start of construction and shall be maintained throughout project duration.
33. During construction, any construction activity shall be subject to a construction noise curfew, except when otherwise specified in the building permit issued by the City. Construction noise shall be prohibited between the hours of 9:00 p.m. and 7:30 a.m. on weekdays. Construction noise shall be prohibited on weekends with the exception of Saturday work between 9:00 a.m. and 4:00 p.m. or emergency work approved by the building official. §9.12.010B.
34. Keep work site clear of debris and be aware of tracking mud, dirt, gravel into the street, and sweep daily, cover all stockpiles and excavation spoils. Practice PUBLIC WORKS DEPARTMENT good housekeeping and maintain temporary construction BMPs.

35. Prior to project final, any areas onsite with disturbed soils or denuded of vegetation must be stabilized or replanted so as to inhibit erosion by wind or water and are consistent with the project's approved drainage plan.
36. Prior to project final, all driveway approaches, curb, gutter, or sidewalk shall meet current Accessibility Standards. Any cracked or broken driveway approaches, curbs, gutters, or sidewalks must be identified, documented, and replaced per Public Works Standard Details. All areas that require replacement will be done per the Public Works Standard Details and to the satisfaction of the Public Works Department. A pre-construction inspection by Public Works staff is required to review and approve these conditions. All replaced features shall meet current Accessibility Standards. Public Works Standard Details can be accessed on the City's website:
<https://www.cityofcapitola.org/publicworks/page/standard-details-public-works>
37. Prior to any work in the City right-of-way (most often roads and sidewalks), an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the City right-of-way. To apply for an encroachment permit, please visit the City's website:
<https://www.cityofcapitola.org/publicworks/page/encroachment-permits>

Encroachment Permits – all proposed work interfacing with the public right of way or outside of the limits of the private property will require an Encroachment Permit review. Standard Encroachment Permit – any work in the City right-of-way. Revocable Encroachment Permit – any work between the limits of the private property and City right-of-way.