

Capitola Planning Commission

Agenda Report



Meeting: July 21, 2022

From: Community Development Department

Address: 720 Hill Street

Permit Number: #21-0122

APN: 036-011-28

Design Permit, Conditional Use Permit, and Tree Removal Permit for a new 42-room hotel located within the C-C (Community Commercial) zoning district and the AH (Affordable Housing) overlay zone ("Project").

This project is outside of the Coastal Zone and does not require a Coastal Development Permit.

Environmental Determination: CEQA Categorical Exemption Section 15332 (In-fill Development)

Property Owner: Dhanesh Patel

Representative: Gwen Jarick

Applicant Proposal

The applicant proposes to construct and operate a three-story, 18,261 square foot hotel with 42 guest rooms at 720 Hill Street in the Community Commercial (C-C) zoning district. Hotels require a Design Permit and Conditional Use Permit (CUP) in the C-C zone. The project includes removal of eight trees and an expansion to the existing surface parking lot. The existing Quality Inn and Suites will remain in operation and has the same ownership as the proposed hotel (Attachment 1—Hotel Project Plans).

Project Description

The 3.08 acre project site is located on the northeast corner of Hill Street and Crossroads Loop in the C-C (Community Commercial) Zoning District. The site is partially developed with the existing two-story, 55 guestroom Quality Inn and Suites and a surface parking lot with 73 parking spaces. Surrounding structures include a mix of one and two-story buildings with a mix of uses including: Post Office, medical and business office, and single and multi-family homes. The proposed hotel is on a portion of the site that is undeveloped and contains a grassy field that slopes up gently to moderately to the southwest. The owner is not proposing to subdivide the site.

The proposed hotel building will be facing the property frontage of Crossroads Loop, with the surface parking located behind the hotel and connecting into the existing parking lot. Vehicular arrival to the property would be from a drive-through porte cochere drop off with the front entry and lobby spaces immediately accessible.

The ground floor will include a lobby and lounge space, 440 square foot meeting space, fitness room, a food prep kitchen and buffet counter, laundry, restrooms, and office space. The hotel will offer a buffet style breakfast served in the lounge area. An 821 square foot roof top deck with a catering counter, shade structure, and landscaping is also proposed to offer a unique guest amenity and will operate between 8 A.M. and 10 P.M. Guest rooms will be located on the second and third floors. The second and third floors will be identical and stack with a room mix of five single king rooms and 16 double queen rooms per floor. The guest floors will be equipped with elevator lobbies, housekeeping closets, and ice rooms, and the second floor will have a guest laundry room.

Access to the parking lot would be provided from the existing two-way driveway off of Crossroads Loop and shared with Quality Inn and Suites. Once parked, guests will enter the hotel on the second floor

through a secondary rear entrance that faces the parking lot.

Background

On January 16, 1978, the Planning Commission approved use permit #1145, which included a 96-room hotel within six buildings. Four of the six buildings were constructed with a total of 55 hotel rooms, which is the existing Quality Inn and Suites. Two of the six approved buildings were not constructed.

On April 21, 1989, the Planning Commission approved Design Permit/Conditional Use Permit #88-189, which included the addition of 30 units plus conference and office space. On May 17, 1990, the Planning Commission approved a one-year extension of AS/CUP #88-189. The approval was never acted upon, so on June 8, 1991, the permit expired.

On June 6, 2002, the Planning Commission approved a new larger porte cochere and a remodel of the existing hotel under permit AS #02-014. The porte cochere that was approved was not constructed.

On April 20, 2005, the City Council and Planning Commission jointly reviewed a Preliminary Development Plan for the demolition of the Capitola Inn Hotel and a proposed planned development rezoning for a 34-lot subdivision and construction of 34 single-family residences and unanimously agreed that housing was not appropriate for this site.

Conceptual Design Review: PC and CC

On September 2, 2021, the Planning Commission heard a conceptual review of the current project and provided the following comments:

- There was general support for the use of the property as visitor serving.
- Follow guidance provided by RRM design regarding design permit criteria.
- Mitigate impacts to neighbors through landscaping, lighting, improvements to the fence/wall, and limiting hours to the rooftop patio.
- Integrate the new and existing hotel through landscaping and pathways.

On September 9, 2021, the City Council heard a conceptual review of the project and concurred with the direction provided by the Planning Commission. The City Council asked the applicant to consider mitigation to potential impacts to Village parking such as providing a beach shuttle or bikes for guest use. The City Council also supported the use of the site as visitor serving.

Development and Design Review

On July 6, 2022, Development and Design Review staff reviewed the application and provided the applicant with the following direction:

Public Works Representative, Kailash Mozumder: Commented that the storm drainage plan check was under final review and the consultant would provide final conditions of approval.

Building Official, Robin Woodman: Commented that the accessible rooms need to be labeled on the plans for Building permit plan check.

Senior Planner, Brian Froelich: Commented that additional landscaping was needed at the property boundary and the final parking count needed to be coordinated between drawings.

Following the meeting, the applicant updated the plans for consistency with the parking calculations throughout. Conditions are included to ensure storm drainage and accessibility are addressed prior to issuance of a building permit. The proposed hotel design was reviewed by RRM Design as required for all new nonresidential projects. The findings of the review are included within the design review section of the report.

Development Standards

The following table outlines the zoning code requirements for development in the Community Commercial (CC) Zoning District. The proposed hotel complies with all development standards of the C-C zone.

	C-C	Existing	Proposed
Site Requirements			
Floor Area Ratio, Maximum	1.0 134,426 sf	0.26 34,492 sf	0.39 52,753 sf
Parking and Loading	One space for each guest room plus 1 per 300 sq. ft. of office area	55 rooms 88 sf. Office 56 spaces required 73 spaces exist	42 rooms, 97 total 438 sf. office space 99 spaces required 103 spaces proposed
Structure Requirements			
Setbacks			
Front	15 ft. and building placement allows for min. 10-foot sidewalk	32 ft.	15 ft. from face of curb
Rear	20 ft. adjacent to a residential zoning district	52 ft.	52 ft.
Interior Side	15 ft.	40 ft.	42 ft.
Street Side	Min: 0 ft. Max: 15 ft.	15 ft.	15 ft.
Height, Maximum	40 ft.	30 ft.	40 ft.
Residential Transition Standards – Daylight Plane	No structure shall extend above or beyond a daylight plane having a height of twenty-five feet at the setback (15 ft.) from the residential property line and extending into the parcel at an angle of forty-five degrees.	Complies	Complies
Landscaped Open Space	5%		29%

Discussion

This report outlines the project's consistency with the zoning ordinance and further describes the proposed development; evaluates the project architecture, landscaping, trees, transportation; and provides a summary of the environmental review process that was completed for the project.

Zoning

The project site is in the Community Commercial zone (C-C) and within Affordable Housing Overlay (AHO) zone. The purpose of the C-C zoning district is to provide areas for a variety of commercial uses serving Capitola residents and visitors. The C-C zoning district allows for retail, restaurants, and services that meet the daily needs of the community. The scale, intensity, and design of development in the C-C zoning district shall be compatible with adjacent neighborhoods and contribute to Capitola's unique coastal village character.

Affordable Housing Overlay

The property at 720 Hill Street is located in the Affordable Housing Overlay zone. Within the Capitola Housing Element, the site was assigned 46 Low Income Units and 15 Moderate Income Units. Under state law, the City must make a finding of no net loss in order to develop a site identified within the housing element with a use other than housing. A finding of no net loss can be made with existing development of affordable ADUs during the current housing element cycle and consideration for two parcels in Capitola which can accommodate the housing under existing zoning. At 4401 Capitola Road, the city has received an application for an affordable housing development with 36 very low income housing units. Also, within this housing element, six very low and two moderate income ADUs have been constructed. The remaining obligation for the site is four low income units and 13 moderate income units. These units can be accommodated within the site at 1098 38th Avenue. The site is zoned multi-family residential which allows one unit per 2,900 square feet. The site is 1.977 acres in size or 86,118 square feet. 29 residential units can be accommodated at 1098 38th Avenue. The two parcels were not previously identified as opportunity sites and therefore satisfy the no net loss finding.

Conditional Use Permit Considerations

Pursuant to Section 17.124.060 of the Capitola Municipal Code, when evaluating a CUP, the Planning Commission shall consider the following characteristics of the proposed use:

- A. Operating characteristics (hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts).

Staff Analysis: Hotels are open 24 hours per day with varied employee shifts that revolve around guest activity. The hotel does not have any amenity spaces that will independently bring customers to the property, such as a restaurant or convention space. The rooftop patio has the potential to create noise in an area close to sensitive receptors (residential zone). Per Section 9.12.10 of the Municipal Code, excessive noise is prohibited within 200 feet of a residence between 10pm and 8am. Staff has included a condition of approval that the rooftop patio be closed between 10pm and 8am (Condition #11).

- B. Availability of adequate public services and infrastructure.

Staff Analysis: Public services and infrastructure are available at the site. The property owner and/or City staff have been in contact with Soquel Creek Water District, County Sanitation, and Central Fire District to ensure adequate public services and infrastructure for the use. Prior to issuance of building permit, the applicant must provide will serve letters from the water district and sanitation (condition #25).

- C. Potential impacts to the natural environment.

Staff Analysis: The proposed project is exempt under California Environmental Quality Act (CEQA) Section 15332, which is described in the CEQA section below.

- D. Physical suitability of the subject site for the proposed use in terms of design, location, operating characteristics, shape, size, topography.

Staff Analysis: The proposed hotel is cut into a moderate upslope from Crossroads Loop. The siting of the building on a cut pad allows the three-story building to maintain a 40-foot height and mitigates the visible bulk from adjacent properties. The site currently facilitates the Quality Inn, which is also a limited-service hotel. Existing roads and driveways serving the property are sufficient to facilitate the new hotel. Routine deliveries of operating supplies and laundry arrive in vans or box trucks and the architect has demonstrated sufficient loading zones that can accommodate delivery vehicles more than 50 feet from residential property boundaries (plan sheet A103). The proposed hotel meets or exceeds all measurable development standards.

Height and Residential Transitions Standards

Pursuant to Municipal Code Section 17.48.020.A, height is measured as the vertical distance from the assumed ground surface to the highest point of the building. The hotel is proposed on a hillside; therefore, the height must be measured around the perimeter wall to ensure compliance as the grade changes. The hotel complies with the forty-foot maximum height. The commercial use is located next to residential uses and therefore is required to comply with residential transition standards for daylight plane, setbacks, landscaping, and loading. The current design complies with the transitional standards as outlined below.

Standard: Daylight Plane. No structure shall extend above or beyond a daylight plane having a height of twenty-five feet at the setback from the residential property line and extending into the parcel at an angle of forty-five degrees.

Staff Analysis: At the conceptual review the egress staircase located toward the south end of the hotel extended above the daylight plane. The architect has relocated the staircase to comply, and the overall building height has been lowered by one foot.

Standard: Setbacks. The minimum setback from the residential property line shall be fifteen feet for interior side yards and twenty feet for rear yards. A landscaped planting area, extending a minimum of ten feet from the property line, shall be provided along all residential property lines. A tree screen shall be planted in this area with trees planted at a minimum interval of fifteen feet.

Staff Analysis: This standard is met within the new parking lot as designed and conditioned. The landscape plan includes a ten-foot-wide landscape buffer for all proposed parking lot areas and a combination of trees are proposed to be planted at intervals parallel to the property line. The existing concrete block wall that serves as a buffer between the existing parking lot and adjacent residential properties encroaches onto the hotel property four to six feet. This encroachment eliminates the ability to install 24" box trees. The applicant is proposing to leave the wall in place and plant vines that will climb a seven-foot-tall trellis in this area in-lieu of trees due to the reduced area for planting. The residential side of the wall, that is partially the hotel property, is currently well landscaped by the residential neighbors. The vine will reach the bottom of the existing tree canopies and add another layer of screening to buffer parking lot impacts. Additionally, staff is recommending a condition of approval requiring the replacement of six proposed 15-gallon pittosporum shrubs with three 24 inch box evergreen screening trees, as shown in the red clouded box on plan sheet L-1.1 (condition #42).

Standard: Loading. Loading and unloading shall be designed to have the least amount of impact on neighboring residential uses. When feasible, loading and unloading shall be provided from the commercial frontage rather than from areas adjacent to residential uses.

Staff Analysis: The applicant is providing three 10 foot by 25 foot loading spaces on the property. All loading spaces are more than 25 feet away from residential property boundaries. Additionally, condition #13 limits deliveries hours from 8 A.M. to 10 P.M., Monday through Friday.

Parking

The proposed parking lot adds 30 new parking spaces for use by employees and guests. The zoning ordinance requires one parking space per guestroom and one parking space per 300 square feet of office space. The applicant is proposing 103 total parking spaces for the site, which is shared between both hotels and collectively complies with the standard. Other amenity spaces within the hotel do not require additional parking because they are designed to be internally facing/guest serving and are not a source of additional vehicular trips to a hotel property. Further, peak parking demand for hotel guest parking is typically between 10pm and 6am when the amenity spaces are not in use.

The project will also provide four EV charging stations, 10 short-term bicycle parking spaces in racks and a secured storage enclosure for five bikes in the parking lot for long-term bicycle parking shown on the site plan (plan sheet A100).

At the time of conceptual review, City Council suggested that the hotel consider offering traffic mitigation through a beach shuttle or property bikes. The applicant is proposing to provide six bikes for use by guests and employees (condition #16).

Design Permit

The proposed architectural design is modern in style, with materials consisting of white stucco walls, resin wall panels that resemble a weathered grey wood, an adhered stone tile, exposed concrete columns at the arrival area, and laser cut decorative metal at the front door and rear stair rail. The hotel building is rectangular in shape with the upper stories projecting over the vehicle drop off and front door area creating an arcade type arrival. The soffit of the arrival area has a unique pattern of lighting and aluminum paneling, and the concrete has a stained color pattern to enhance the arrival experience.

Other key architectural features include an artistic mural treatment at the northwest corner of the building that will resemble kelp vines. The applicant intends to commission this element to be done by a local artist. At the (primary) west façade, the architect has used rounded edges and wall articulation to define the transition between the resin paneling and stucco walls. Guestroom windows will be black framed with three total panels and one operable. The windows will also include a louvered grill to match the window frame and sit flush with the window frame to mask the guestroom HVAC units. Ground floor windows are a clear glass, black framed storefront system with a laser cut decorative metal surrounding the main entry. Materials for the new surface parking will be permeable pavers.

The proposed hotel requires review of the design by a city-contracted design professional and issuance of a design permit by the Planning Commission. RRM Design was contracted by city staff to complete the third-party review of the hotel. In September of 2021, RRM Design provided initial comments of the design related to the design review criteria outlined in §17.120.070(A-S). RRM originally provided direction on the following items:

- Incorporate unique paving, pedestrian lighting, and enhanced arrival experience.
- Enhance primary entrance design and materials.
- Provide adequate signage and enhance design of rear entrance.
- Add articulation to vertical and horizontal massing.
- Explore opportunities to vary roof height.
- Address blank walls within elevations.
- Enhance materials at rear staircase.
- Consider selecting higher quality operable windows.
- Integrate A/C grills with window frames.

At the time of the formal planning application submittal, RRM Design performed a follow up review of the updated plans and provided comments to the applicant. Most of the items identified during the conceptual review were addressed and four outstanding design concerns were identified related to signage, public art, treatment of blank walls, and enhanced rear entry. Signage and public art will be addressed with separate submittals and are conditions of approval. The applicant then made another resubmittal adding an artistic mural to the blank wall and adding an awning to the rear entry. RRM then prepared a final memo noting general compliance with the prior comments but noted a few final suggestions for further consideration that did not prompt a final review. After receiving the final memo from RRM, the applicant has since modified the plans to add a further enhanced awning at the rear entry. RRM's final memo is attachment #4.

Public Art

Nonresidential development projects which exceed a total building permit valuation of \$250,000 are subject to the City's Public Art Ordinance (Chapter 2.58 of the Capitola Municipal Code). Per the ordinance, the developer has two options in which to contribute public art. The first option is to incorporate

public art into the project or the general vicinity, which costs a minimum of two percent of the total project budget. Within this option, the final design, display, and location of the public art shall be brought before the Art and Cultural Commission and City Council for review and approval. The owner shall install the approved public art prior to certificate of occupancy and provide a cash deposit for the value of the public art, prior to issuance of building permit. Alternatively, the owner may, with city council approval, offer in lieu of incorporating public art in their project, deposit an amount equal to one percent of the total building permit valuation with the city, to be used for public art elsewhere in the city. With this option, the in-lieu payment shall also be made to the issuance of building permit. The applicant is in the process of deciding which option they will utilize to fulfill the public art requirement. A condition of approval is included which requires the applicant to submit an application for the public art requirement prior to building permit issuance and comply with the standards of the public art ordinance.

Signs

The application does not include signs. A separate application for signage will be submitted by the applicant for Planning Commission review.

Landscaping

Under CMC 17.24.030, parcels within the Community Commercial zoning district must have a minimum of five percent landscaped open space (6,721 square feet). The proposed overall site plan includes 39,252 square feet of landscaped area, so it complies with the landscaped open space requirement. The new planting area total is 8,909 square feet. The landscape irrigation system is required to be on a separate dedicated water meter (Section 17.72.050 B2)

The applicant is proposing a water feature at the center of the traffic circle in front of the Quality Inn porte cochere. The water feature is a 29 square foot fountain. Pursuant to §17.72.060.A.7, water features must be approved by the Planning Commission and shall be run by a recirculating pump and cannot be directly connected to the domestic or landscape water system. The proposed water feature complies with this standard.

The applicant demonstrated compliance with the Soquel Creek Water District's Maximum Allowable Water Use as required by Section 17.72.060 B1 (plan sheet L-3.2)

The new parking lot adds 30 new parking spaces and is required to be 10% landscaped with one shade tree per every five parking spaces (24" box). The applicant is proposing six Arbutus Marina trees to meet this requirement. Additionally, the new parking lot area is 7,928 square feet and requires a 50% shading to meet the standard of Section 17.76.070 D4. The applicant is proposing trees in the new parking lot area that will provide 7,056 square feet of canopy at maturity, exceeding the requirement.

Trees

The project includes a proposal to remove eight trees as follows:

- Three pepper trees near the Quality Inn driveway entrance at Crossroads Loop
- One Mayten Tree at the Crossroads Loop frontage
- Three palm trees across from the Quality Inn porte cochere
- One stone pine in the traffic circle

The trees proposed for removal are in locations critical to the project feasibility (circulation and drainage) and are not particularly unique specimens per the Public Works Inspector. Mitigation planting is typically a 2:1 ratio of 24" box trees, which is addressed by the proposed landscape plan. Staff has suggested (not required) that the applicant consider transplanting the three palm trees proposed for removal. Palm trees can be transplanted with a high rate of success even when mature.

Drainage

The project is categorized as a Tier 3 project, per the City's Stormwater Technical Guide. Tier 3 development projects include new/replaced impervious area between 15,000 square feet and 22,500 square feet. Requirements for a Tier 3 projects include:

- Treat runoff onsite with an appropriately sized retention system.
- Prevent any offsite discharge for 95th percentile rainfall events.
- Low Impact Design, which directs runoff from impervious surface to bio retention and landscape areas.

The project was plan checked by consultant, HydroScience Engineers Inc. to ensure compliance with Tier 3 requirements. The design incorporates three primary storm drainage installations:

- Primary Bioretention basin that captures the new parking lot surface drainage and approximately 60% of the roof drainage.
- Secondary Bioretention basin that captures impervious surface drainage from the porte cochere handscape and approximately 40% of the roof drainage.
- A riprap lined swale that treats subsurface drainage from the new parking lot and any overflow from the primary bioretention basin

HydroScience Inc. concluded that the design meets Tiers 3 standards and provided recommended conditions of approval.

Traffic Study

A site-specific traffic analysis was prepared by Kimley Horn. The project was evaluated in accordance with the standards of the City of Capitola and the County of Santa Cruz. Transportation analysis prepared by Kimley Horn comprises an evaluation of Vehicle Miles Traveled (VMT) and Level of Service (LOS). VMT is a newer methodology (following SB 743) for evaluating traffic impacts of a project based on greenhouse gas impacts rather than the traditional method of evaluating intersection Level of Service (LOS). CEQA no longer focuses on LOS-based analyses because such analyses tend to result in mitigation measures calling for new or expanded roadways, which leads to more VMT and Greenhouse Gas (GHG) emissions.

The results of the traffic analysis concluded that the VMT and LOS related impacts of the proposed hotel would be less than significant. Per VMT analysis, infill hotels meet existing consumer demands, serve existing needs, and reduce regional travel. While not required for CEQA, Kimley Horn also prepared a traditional LOS analysis of the five most impacted traffic intersections. Kimley Horn concluded that based on City and Caltrans intersection operation threshold criteria, the project is not anticipated to generate an adverse effect to the studied intersections. See the full transportation study in attachment #3.

Sustainability Features

The hotel proposes to incorporate the following sustainability features into the project:

- Four EV chargers
- Solar Panels
- Guest and employee bikes
- Ultra-high efficiency toilets
- Waterless urinals
- Low flow shower heads
- Greywater plumbing for irrigation

CEQA

Section 15332 of the CEQA Guidelines exempts infill development projects that meet certain criteria.

The city contracted with environmental consultant Dudek to prepare a detailed environmental analysis under CEQA for the proposed project (attachment #5). The project is consistent with both the general plan and zoning ordinance. The site is within city limits and is surrounded by developed sites and urban uses. No known habitat or rare or threatened species have been identified on the subject site. Potential for traffic, noise, air quality, water quality, and cultural resources impacts were all evaluated and will be effectively mitigated by following current City codes and the recommended project conditions of approval. The site is well served by available public utilities and services.

Therefore, the City has documented that the project qualifies for the Categorical Exemption found in CEQA Guidelines section 15332, the infill exemption, and that none of the potential exceptions to the use of a categorical exemption apply to this project or the project site.

Recommendation

Staff recommends that the Planning Commission take the following actions:

1. Find that the Project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15332 (In-Fill Development);
2. Approve the Conditional Use Permit pursuant to the findings and analysis included in this Staff Report and subject to the included Conditions of Approval;
3. Approve the Design Permit including the proposed water feature, pursuant to the findings and analysis included in this Staff Report and subject to the included Conditions of Approval;

And;

4. Approve the Tree Removal Permit pursuant to the findings and analysis included in this Staff Report

Public Noticing

The meeting agenda and Planning Commission report were posted on the city website and announced in the Santa Cruz Sentinel. All property owners and tenants within a 300 foot radius and other interested stakeholders were notified of this meeting.

Recommended Conditions of Approval

General Conditions

1. The project approval consists of a Conditional Use Permit, Design Permit, and Tree Removal Permit for the construction and operation of a hotel at 720 Hill Street. The CUP, Design Permit, and Tree Removal Permit application #21-0122 was approved by Planning Commission on July 21, 2022.
2. Prior to construction, a building permit shall be secured for any new construction or modifications to structures authorized by this conditional use 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.
3. At time of submittal for building permit review, the Conditions of Approval must be printed in full on the cover sheet of the construction plans.
4. 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.

5. 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.
6. This permit shall expire 24 months from the date of issuance. The applicant shall have obtained an approved building permit commenced construction before this date to prevent permit expiration. Applications for extension may be submitted by the applicant prior to expiration.
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. 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. A telephone number of the noise disturbance coordinator shall be conspicuously posted at the construction site fence and on the notification sent to neighbors adjacent to the site. The sign 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.

Conditional Use Permit Conditions

10. The application shall be reviewed by the Planning Commission upon evidence of non-compliance with conditions of approval or applicable municipal code provisions.
11. The rooftop patio shall be closed for all use between 10pm and 8am.
12. The applicant shall obtain a business license prior to operating the new hotel.
13. Hours for deliveries to the hotel shall be limited to 8:00 A.M. – 8:00 P.M. Monday through Friday, to minimize noise impacts to neighboring residents. Delivery vehicles shall not be permitted to remain at idle, shall utilize the loading zones, and shall not stop or park within 50 feet of the residential property boundaries.
14. Upon receipt of certificate of occupancy, garbage and recycling containers shall be placed out of public view and inside the trash enclosure on non-collection days.
15. Bicycle parking is required to be accommodated with 10 short term bike parking spaces and five long term bike parking spaces. The design and specifications of the bike parking spaces shall be included in the plans for Building Permit plan check.
16. The property shall maintain and make available to guests and employees, six property bikes. The applicant shall have the bikes onsite prior to certificate of occupancy.

17. Amplified sound is limited to interior areas only.
18. Alcohol service is not approved with this permit.

Planning Department Conditions

19. Prior to making any changes to 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.
20. Prior to issuance of building permit, all Planning fees associated with permit #21-0122 shall be paid in full.
21. Air-conditioning equipment or other roof top equipment shall be screened from view and fall within allowable city permitted decibel levels.
22. The trash enclosure shall be covered, gated, and maintained to provide a clean and sanitary area. The trash enclosure construction shall be completed, prior to final inspection.
23. Outdoor luminaires shall be energy-efficient fixtures controlled by motion sensors and incorporate cut-off controls and outdoor lighting controls. All building and parking lot lighting shall be shielded to prevent light from shining in the neighboring properties and be Dark Sky compliant. The applicant shall provide a lighting plan and photometric plan with the submittal of plans for building permit plan check.
24. No rooftop equipment is to be visible to the general public. Any necessary roof screening is to match the color of the building as closely as possible. Plans for any necessary screening shall be submitted to the Community Development Department prior to, or in conjunction with the building permit submittal.
25. Prior to issuance of a building permit, the applicant must provide documentation of plan approval by the following entities: Santa Cruz County Sanitation Department, Soquel Creek Water District and Central Fire Protection District.
26. Prior to the issuance of any building permits, the applicant shall agree, in writing, to defend, indemnify, and hold harmless the City and its officers, agents, and employees in any action brought by a third party to void this Conditional Use Permit, Design Permit, or Tree Removal. The agreement shall be in a form satisfactory to the City Attorney and Community Development Director and executed, prior to issuance of building permits. It shall run with the land and shall not be amended without prior City consent.
27. Prior to issuance of building permits, the building plans must show that the existing overhead utility lines will be underground to the nearest utility pole.
28. The owner shall consult the members and/or managers of the Road and Utility Maintenance Agreement to obtain any necessary approvals regarding the design and location of road, sidewalk, and utility improvements associated with this project, prior to start of work. The owner shall further coordinate with the managers of the Road and Utility Maintenance Agreement and adjacent property owners to ensure that appropriate access is maintained throughout the duration of the project. Permit approval does not supersede any obligations of the owner to comply with private agreements.

29. Prior to occupancy, the Landscape Architect shall certify in writing 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.
30. If prehistoric or historic-period cultural materials are unearthed during ground-disturbing activities, it is recommended that all work within 100' of the find be halted until a qualified archaeologist and Native American representative can assess the significance of the find. Prehistoric materials might include obsidian and chert-flaked stone tools (e.g., projectile points, knives, scrapers) or tool-making debris; culturally darkened soil ("midden") containing heat-affected rocks and artifacts; stone milling equipment (e.g., mortars, pestles, handstones, or milling slabs); and battered-stone tools, such as hammerstones and pitted stones. Historic-period materials might include stone, concrete, or adobe footings and walls; filled wells or privies; and deposits of metal, glass, and/or ceramic refuse. If the find is determined to be potentially significant, the archaeologist, in consultation with the Native American representative, will develop a treatment plan that could include site avoidance, capping, or data recovery.
31. In the event of the discovery of human remains during construction or demolition, there shall be no further excavation or disturbance of the site within a 50' radius of the location of such discovery, or any nearby area reasonably suspected to overlie adjacent remains. The Santa Clara County Coroner shall be notified and shall make a determination as to whether the remains are Native American. If the Coroner determines that the remains are not subject to his/her authority, he/she shall notify the Native American Heritage Commission, which shall attempt to identify descendants of the deceased Native American. If no satisfactory agreement can be reached as to the disposition of the remains pursuant to this State law, then the landowner shall reinter the human remains, and items associated with Native American burials on the property in a location not subject to further subsurface disturbance. A final report shall be submitted to the City's Community Development Director prior to release of a Certificate of Occupancy. This report shall contain a description of the mitigation programs and its results, including a description of the monitoring and testing resources analysis methodology and conclusions, and a description of the disposition/curation of the resources. The report shall verify completion of the mitigation program to the satisfaction of the City's Community Development Director.
32. In the event that a fossil is discovered during construction of the project, excavations within 50' of the find shall be temporarily halted or delayed until the discovery is examined by a qualified paleontologist, in accordance with Society of Vertebrate Paleontology standards. The City shall include a standard inadvertent discovery clause in every construction contract to inform contractors of this requirement. If the find is determined to be significant and if avoidance is not feasible, the paleontologist shall design and carry out a data recovery plan consistent with the Society of Vertebrate Paleontology standards.
33. To the extent practicable, tree removal shall be performed from September 1 through January 31 to avoid the general nesting period for birds. If tree removal cannot be performed during this period, precutting surveys will be performed no more than two days prior to beginning work activities to locate any active nests as follows: The owner/applicant shall be responsible for the retention of a qualified biologist to conduct a survey of the project site and surrounding 300' for active nests—with particular emphasis on nests of migratory birds—if tree cutting will begin during the bird nesting season, from February 1 through August 31. If active nests are observed on either the project site or the surrounding area, the project owner/applicant, in coordination with the appropriate city staff, shall establish no-disturbance buffer zones around the nests, with the size to be determined in consultation with the California Department of Fish and Wildlife (usually 100' for perching birds and 300' for raptors). The no-disturbance buffer will remain in place until the biologist determines the nest is no longer active or the nesting season ends. If construction ceases for three days or more and then resumes during the nesting season, an additional survey will be necessary to avoid impacts on active bird nests that may be present.

34. This project requires the approval of the Santa Cruz County Environmental Health Department prior to issuance of Building Permits.
35. No signs are approved as part of this application. A Sign Permit application shall be submitted in compliance with Chapter 17.80 of the zoning ordinance and shall include all signage proposed for the project site.
36. The Water Feature shall not be directly connected to water utility source and shall be equipped with a recirculation pump.
37. Inspections by the Planning Department are required for the foundation, final framing, prefinal after application of exterior materials, and final inspection.
38. Separate containers for recyclables, organics, and waste shall be placed in all common areas, including all gathering areas, such as eating areas and break rooms.
39. A separate water service and water meter for irrigation will be required.
40. The applicant shall submit an application to meet the public art requirement prior to building permit issuance. The proposed conceptual mural at the northwest corner of the building shall be incorporated into the project in any case; even if it does not qualify or is otherwise not accepted to satisfy the public art requirement. A cash deposit for the value of the public art shall be paid prior to issuance of building permits.
41. The applicant shall provide four electric vehicle charging stations with the plans for building permit plan check.
42. The landscape plans for Building Permit plan check shall replace the six, 15-gallon pittosporum shrubs at the south end of the new parking lot with three, 24 inch box evergreen trees.

Public Works Department Conditions

43. Prior to issuance of building permits, any improvements that interface with the public right of way, e.g., sidewalks, crosswalks, curb, gutter and sidewalks, shall submit plans for review and approval by the Public Works Department.
44. Prior to any work in the City Road right of way, an encroachment permit shall be acquired by the contractor performing the work. No material or equipment storage may be placed in the road right-of-way.
45. Prior to a project final, all cracked or broken driveway approaches, curb, gutter, or sidewalk in the City Road right of way shall be replaced per the Public Works Standard Details and to the satisfaction of the Public Works Department. All replaced driveway approaches, curb, gutter or sidewalk shall meet current Accessibility Standards.
46. At time of submittal for building permit review, Public Works Standard Detail SMP STRM shall be printed in full and incorporated as a sheet into the construction plans. All construction shall be done in accordance with the Public Works Standard Detail BMP STRM.
47. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan, shall be submitted to the City and approved by Public Works. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16 Storm Water Pollution Prevention and Protection.

48. Applicant shall notify the Public Works Department 24 hours in advance of the commencement of work. A pre-construction inspection must be conducted to verify compliance with the approved temporary erosion and sediment control plan
49. Prior to issuance of building permits, a drainage plan, grading, sediment and erosion control plan (Temporary Construction BMPs) shall be submitted to the City and approved by the Public Works Director. The plans shall be in compliance with the requirements specified in Capitola Municipal Code Chapter 13.16.100 Construction Site Storm Water Runoff Control. All improvements shall be installed prior to the start of construction and shall be maintained throughout project duration.
50. Prior to issuance of building permits, the applicant shall submit a Stormwater Control Plan, Bioretention Construction checklist, and detailed draft Stormwater Operation and Maintenance Plan prepared and certified by a Registered Civil Engineer in accordance with the current Post construction Requirements (PCRs) for a Tier 2 project for review and approval by the Public Works Director. The revisions specified in the HydroScience Preliminary Stormwater Control Plan Review dated July 11, 2022, including subsequent updates, shall be completed to the satisfaction of the Public Works Director.
51. Prior to final occupancy approval the applicant shall submit a final Operation and Maintenance Plan including any revisions resulting from changes made during construction for review, approval and recorded in the Office of the County Recorder by the Public Works Director.
52. Prior to final occupancy approval the applicant shall enter into and record in the Office of the county Recorder, any agreements identified in the Stormwater Control Plan which pertain to the transfer of ownership, right-of-entry for inspection or abatement, and/or long-term maintenance of the stormwater treatment BMPs.
53. Prior to final occupancy approval the Engineer of Record shall inspect construction of stormwater management improvements and certify to the City that the construction meets the intent of the approved design drawings, Stormwater Control Plan, and the City Post Construction Requirements.
54. Prior to final occupancy approval the Engineer of Record shall provide final record drawings of the constructed stormwater management improvements.

Conditional Use Permit Findings

A. The proposed use is allowed in the applicable zoning district.

Hotels are a conditional use in the Community Commercial zone. The design and use incorporate mitigations and conditions to result in a hotel that has an appropriate transition and limited impact on surrounding residential uses. The property has an Affordable Housing Overlay that is assigned 61 units under the current Housing Element. The City has identified new sites and progress toward RHNA goals that result in No Net Loss.

B. The proposed use is consistent with the general plan, local coastal program, zoning code, and any applicable specific plan or area plan adopted by the city council.

The proposed use, as conditioned, is consistent with local long range and implementation planning documents.

C. The location, size, design, and operating characteristics of the proposed use will be compatible with the existing and planned land uses in the vicinity of the property.

The project will have a beneficial effect on traffic and provide a support service to local business. The design incorporates appropriate residential transition measures and involves only a 40% buildout of the site. The rooftop patio is regulated by appropriate hours.

D. The proposed use will not be detrimental to the public health, safety, and welfare.

The proposed hotel will not have an impact to public, health, safety, and welfare. The building provides for required parking, will be fire sprinkled, and will be served by all necessary public utilities.

E. The proposed use is properly located within the city and adequately served by existing or planned services and infrastructure.

The proposed use is appropriately located and well mitigated from impacts to adjacent residential uses. The project is with a quarter mile to SR1 and a bus route. The property will be served by all utilities.

Design Permit Findings

A. The proposed project is consistent with the general plan, local coastal program, and any applicable specific plan, area plan, or other design policies and regulations adopted by the city council.

Community Development staff, the Development and Design Review Committee, consultant RRM and the Planning Commission have all reviewed the project. The proposed project, as conditioned, is consistent with local long range and implementation planning documents. The project meets the Design Review Criteria.

B. The proposed project complies with all applicable provisions of the zoning code and municipal code.

Community Development Staff, the Design and Development Review Committee, and the Planning Commission have all reviewed the project. The proposed 18,261 square foot hotel complies with all development standards of the C-C (Community Commercial) zoning district.

C. The proposed project has been reviewed in compliance with the California Environmental Quality Act (CEQA).

Section 15332 of the CEQA Guidelines exempts infill development projects that meet certain criteria.

The city contracted with environmental consultant Dudek to prepare a detailed environmental analysis under CEQA for the proposed project (attachment #5). The project is consistent with both the general plan and zoning ordinance. The site is within city limits and is surrounded by developed sites and urban uses. No known habitat or rare or threatened species have been identified on the subject site. Potential for traffic, noise, air quality and water quality were all evaluated and will be effectively mitigated by following current City codes and the recommended project conditions of approval. The site is well served by available public utilities and services.

D. The proposed development will not be detrimental to the public health, safety, or welfare or materially injurious to the properties or improvements in the vicinity.

The proposed hotel will not have an impact to public, health, safety, and welfare. The building provides for required parking, will be fire sprinkled, and will be served by all necessary public utilities. Condition #22 requires the applicant to work with the Road and Utility Maintenance Agreement members to ensure compliance with the property's underlying private contracts.

E. The proposed project complies with all applicable design review criteria in Section 17.120.070 (Design review criteria).

Community Development Staff, the Architectural and Site Review Committee, design consultant RRM and the Planning Commission have all reviewed the project. The proposed 18,261 square foot hotel and supporting improvements comply with the applicable design review criteria as described in the staff report.

F. For projects in residential neighborhoods, the proposed project maintains the character, scale, and development pattern of the neighborhood.

The project site is not in a residential neighborhood but adjacent to single family and multi family zoning. The design incorporated all required transitional standards and conditions of approval further mitigate impacts of operating hours, privacy, and noise.

Report prepared by: Brian Froelich

Attachments:

1. Hotel Project Plans - July 8, 2022
2. CEQA Analysis prepared by Dudek - July 8, 2022
3. Transportation Study prepared by Kimley Horn – June 2022
4. RRM Design Review Memo – May 16, 2022
5. Design Review Criteria