



TO: Mayor and Councilmembers

FROM: Dan Singer, City Manager

CONTACT: Steve Chase, Director, Planning and Environmental Services
Patricia S. Miller, Manager, Current Planning

SUBJECT: Case No. 07-007-OA, -TPM, -DP; 07-167-DP AM; Marriott Residence Inn and Hollister Center Project; 6300 Hollister Avenue; APN 073-050-020

RECOMMENDATION:

- A. Open the public hearing on the Marriott Residence Inn and Hollister Center Project.
- B. Allow staff presentation, applicant presentation, and public testimony.
- C. Adopt City Council Resolution 08-__ entitled "A Resolution of the City Council of the City of Goleta, California Adopting the Final Mitigated Declaration (07-MND-003), Accepting the Addendum dated August 1, 2008, and Adopting CEQA Findings and a Mitigation Monitoring and Reporting Program for the Marriott Residence Inn and Hollister Center Project; 6300 Hollister Avenue; APN 073-050-020; Case No. 07-007-OA, -TPM, -DP; 07-167-DP AM". (Attachment 1)
- D. Introduce and conduct the first reading (by title only) and waive further reading of City Council Ordinance 08-__ entitled "An Ordinance of the City Council of the City of Goleta, California Amending Chapter 35, Article III of the Goleta Municipal Code, the Inland Zoning Ordinance, to Establish a Hotel Overlay District". (Attachment 2)
- E. Conceptually approve the Marriott Residence Inn and Hollister Center Project by conditionally adopting City Council Resolution 08-__ entitled "A Resolution of the City Council of the City of Goleta, California Approving a Tentative Parcel Map and Development Plan for the Marriott Residence Inn and Hollister Center Project and a Development Plan Amendment for the Hollister Center Project; 6300 Hollister Avenue; APN 073-050-020; Case No. 07-007-TPM, -DP; 07-167-DP AM". (Attachment 3)

- F. Continue the item to November 4, 2008 in order to conduct the second reading by title only of the Ordinance for an Ordinance Amendment and adopt a City Council Resolution thereby approving the Marriott Residence Inn and Hollister Center Project.
- G. Close the public hearing.

Refer back to staff if the City Council decides to take action other than the recommended action.

BACKGROUND:

The proposed project site is located at 6300 Hollister Avenue. The General Plan land use designation is I-OI, Industrial-Office and Institutional, with a Hotel Overlay. The zoning designation is M-RP (Industrial - Research Park). The proposed project includes an ordinance amendment for a hotel overlay, a development plan to allow the construction of a 140-room Marriott Residence Inn, a parcel map to divide 10.95 acres into two parcels of 7.16 acres and 3.79 acres, and a development plan amendment to update the permit for the existing building onsite.

The proposed project was reviewed by the Planning Commission on April 28, 2008. The item was continued to May 12, 2008, at which time the applicant presented a revised site plan that relocated a portion of the proposed hotel from the southeast to the northwest corner of the proposed hotel. The project was also reviewed again, with this revised site plan, by the Design Review Board on June 10, 2008.

At the April 28, 2008 hearing, the Commission requested that staff initiate a meet and confer process with the applicant and interested members of the Native American community, many of whom provided testimony. Four meet and confer discussions were held (May 5, May 19, June 18, and August 6, 2008) following invitations to all parties who had commented on the Draft MND or attended the Planning Commission hearing, or otherwise expressed interest in the archaeological issues related to the project.

The Planning Commission heard the project on August 11, 2008 and recommended approval of the various applications to the City Council (see Resolution 08-08 in Attachment 4).

DISCUSSION:

Project Description

Parcel Map

The parcel map includes a request to divide 10.95 acres into two parcels of 7.16 acres (Parcel 1; existing research park building) and 3.79 acres (Parcel 2; proposed Marriott Residence Inn).

Development Plan - Marriott Residence Inn

The Marriott Residence Inn would be a 140-room hotel of approximately 99,824 square feet (SF). It would be framed by three building wings with a patio and pool area in the center courtyard of the hotel. The front entrance of the hotel would face Hollister Avenue. The hotel would be three stories with an average height of 35 feet. Peak heights would range from 39 – 40.4 feet.

The proposed architecture is characterized as contemporary Mediterranean with smooth stucco finish, accent awnings, wood trellis, cornice moldings, and concrete tile roof. Landscaping would be primarily drought tolerant and Mediterranean. Trees would be placed along frontages, entry ways, parking areas, and elsewhere throughout the property. The plan also includes shrubs, groundcovers, vines, and biofiltration plants.

Access for the hotel would be from Hollister Avenue and Robin Hill Road. All utilities along Hollister Avenue, Robin Hill Road, and onsite would be placed underground. The project includes a proposed sewer lateral connection from the property to the north, through the central portion of the site (beneath the hotel), continuing to Hollister Avenue to connect to existing Goleta Sanitary District lines. An existing lift station located along Hollister Avenue is planned to be relocated eastward on Hollister Avenue by the GSD in December 2008. Water service would be provided by the Goleta Water District.

Certain modifications from zoning ordinance standards are being requested. These include setback and parking modifications.

Development Plan Amendment - Hollister Center Building

The Development Plan Amendment for the existing research park building would document the proposed parcel map that divides the property and results in the existing building on Parcel 1 (7.16 acres) and would allow for the proposed reciprocal parking agreement. Access would continue to be from Hollister Avenue and La Patera Lane.

Modifications regarding setbacks and landscaping that reflect existing conditions are also being requested.

Frontage/Street Improvements

The following frontage/street improvements would be provided:

Hollister Avenue

Frontage improvements include curb, gutter, street lights, parkway, and meandering sidewalk. This segment of Hollister Avenue is under the jurisdiction of the City of Santa Barbara and final design would be subject to their approval. An upgraded MTD bus stop would be provided, including bus pull out, shelter, bench, and trash can.

The new Marriott Residence Inn access on Hollister Avenue (shared driveway for Parcel 1/Parcel 2) would be constructed to prohibit lefts turns out.

Robin Hill Road

Frontage improvements include curb, gutter, street lights, parkway, and sidewalk. Improvements also include striping of defined southbound left-turn and right-turn lanes onto Hollister Avenue.

Grading and Drainage

Implementation of the proposed hotel project would include 500 cubic yards of cut and 17,200 cubic yards of fill. Existing elevation on the property ranges from approximately 12 – 14 feet. The finished floor of the hotel structure would be at an elevation of approximately 18 feet. The depth of fill materials ranges from approximately 2 – 4.5 feet. Drainage would be conveyed in primarily a southerly direction. A small bioswale in the northwest corner of the site would connect to a new storm drain. Other new onsite storm drains would connect to a relatively large bioswale/detention basin feature along the Hollister Avenue frontage. Onsite systems would then connect to the existing area storm drain system.

Parking

Zoning ordinance parking requirements for the new Marriott Residence Inn include 144 spaces and 213 spaces for the existing research park building, for a total of 357 required spaces. Peak demand was calculated at 144 spaces for the hotel and 302 spaces for the existing research park building (446 spaces). The site plan provides for 129 spaces for the hotel and 350 spaces for the existing research park building (479 spaces). The total provided exceeds the total ordinance requirement and a reciprocal parking agreement between the two properties would be required in order for an adequate number of spaces to be available for the proposed hotel.

Project Analysis

Environmental Analysis

Pursuant to the State *Guidelines for the Implementation of CEQA*, a Draft and proposed Final Mitigated Negative Declaration (07-MND-003) were prepared for the project. The Draft MND was released to the public on December 14, 2007 for a 30-day review period. Upon completion of the public review and comment period for the MND, City staff clarified various portions of the document and released the proposed Final MND on April 18, 2008. Environmental review also includes an Addendum dated August 1, 2008 that addresses revisions to the project description and a Supplemental Extended Phase 1 cultural resources report. (See also Attachment 5)

Potentially significant impacts were identified in the following areas:

- Aesthetics (new development at a visually prominent location and night lighting)
- Air Quality (dust control)
- Biological Resources (water quality)
- Cultural Resources (direct and indirect impacts on cultural resources)
- Geology/Soils (grading, erosion control, water quality)
- Hazards and Hazardous Materials (groundwater contamination)
- Hydrology/Water Quality (increased impervious surfaces and runoff)
- Land Use/Planning (FAR; height)
- Noise (construction noise)
- Public Services (fire protection)
- Transportation/Traffic (impacts at Cortona Drive/Hollister Avenue, Storke Road/Hollister Avenue, and Storke Road north of Hollister Avenue)
- Utilities/Service Systems (commitment for service capacity by the Goleta Water District and Goleta Sanitary District)

Substantial input on the Mitigated Negative Declaration and Addendum was received throughout the environmental review and Planning Commission hearing process. This included substantial comments on cultural resources, and resulted in the meet and confer process described above and the preparation of a Supplemental Extended Phase 1 Archaeological Investigation (Dudek; June, 2008).

The Marriott Residence Inn site is located on the extreme southwest corner of a recorded site area known as CA-SBA-58. Detailed information regarding this site, archaeological investigations, resources, impacts, and recommendations is included in the MND in Attachment 5. A summary of this information has been excerpted from the Planning Commission staff report and is included in Attachment 6. The Planning Commission deliberated at length regarding cultural resources and modified the Phase 3 recovery program to include more rigorous testing. This includes subjecting 50% of pilings (146 pilings) related to structural development in the area referred to as Locii 1, to a combination of 1.65 x 1.65 foot excavation units and 1 x 1 foot units. Excavated soil would be water screened and evaluated. The balance of the piling locations (146 pilings) in both Locii 1 and Locus 2 areas would be subject to excavation by mechanical auger and would be inspected.

Subsequent to the Planning Commission hearing, a letter was received by the City from the State of California Native American Heritage Commission. The letter expressed concern regarding potentially significant impacts on cultural resources and requests preparation of an Environmental Impact Report (EIR). This letter and the City's response is included in Attachment 6. The City believes that all CEQA requirements have been met by the preparation of the Mitigated Negative Declaration and Addendum dated August 1, 2008.

All potentially significant impacts, including those related to cultural resources, can be mitigated to less than significant levels. Mitigation measures include, but are not limited to, receiving final DRB approval for structures, landscaping, lighting, and a utility plan; dust control; Phase 3 data recovery program and other cultural resources implementation programs/plans; approval of a final grading and drainage plan; hazardous materials management and protection plans; controls on construction noise; a Fire Protection Plan; traffic/transportation improvements for project frontages, restriping of Robin Hill Road/Hollister Avenue, payment of fees, and a shared parking/reciprocal access agreement; and guarantee of service from the Goleta Water District and Goleta Sanitary District. All mitigation measures have been incorporated into conditions of approval.

General Plan Consistency Analysis

The General Plan consistency analysis is included in Attachment 7. The proposed project, as conditioned, would be consistent with all applicable policies. The following policies are highlighted:

Land Use Element, Table 2-3

Recommended building intensity standards are included in Land Use Element, Table 2-3, Allowable Uses and Standards for Office and Industrial Use Categories. The recommended FAR is 0.50 for properties with a General Plan Hotel Overlay and the proposed project FAR is 0.61. The recommended maximum height is 35 feet and three roof gables are 39 – 40.4 feet at their highest point.

These exceptions require a “good cause” finding and are deemed reasonable due to supportive comments made by DRB regarding overall building configuration and compatibility of size, bulk, and scale. Additionally, the highest point of the three roof gables does not cause the average roof height to exceed 35 feet. (Attachment 7; p. 4).

Housing Element, Policy 3.2

Housing Element, Policy 3.2 requires new nonresidential development to contribute to the provision of affordable housing. The City encourages the creation of housing near where people work and seeks participation of non-residential development in contributing affordable houses related to their impact on the local workforce. The contribution may include in-lieu fees, provision of onsite housing, housing assistance as part of employee benefit packages, or other alternatives of similar value. The fulfillment of affordable housing requirements is presently established by policy/administrative practice, where as an ordinance has not yet been adopted.

Options that may be considered include average rates currently used by other California jurisdictions. Some jurisdictions have adopted rates for hotels and restaurants using a per square foot fee amount. The rates fluctuated greatly; valuing contributions to affordable housing is largely dependent upon community values, affordable housing,

and construction. Council should refrain from comparing data from any other city to Goleta and rather use this data to consider an appropriate average. The rates are as follows:

	Hotel Rate	Applicable Fee
San Diego	\$0.64	\$ 63,887
Pleasanton	\$2.57	\$256,548
Santa Monica	\$4.91	\$490,136
Walnut Creek	\$5.00	\$499,120
Oakland	\$12.91	\$1,288,727
Average	\$5.20	\$519,085

Staff recommends applying the average factors from the above generation rates, resulting in an in-lieu fee of \$519,085.

Zoning Ordinance Consistency Analysis

The Zoning Ordinance consistency analysis is included in Attachment 8. The proposed project would be consistent with most setback, building coverage, height, and landscaping requirements.

The following modifications from Article III, Inland Zoning Ordinance standards are requested:

Marriott Residence Inn

- A modification from the required offstreet parking area setbacks to allow encroachments into front yard setbacks along Hollister Avenue and Robin Hill Road (Section 35-262.a).
- A modification to allow a reduction in required parking spaces from 144 spaces to 129 spaces (Section 35-258).
- A modification to allow encroachment of the trash enclosure into the front yard setback of Robin Hill Road (Section 35-233.9.1.a).

Hollister Center Project

- A modification from the required offstreet parking area setbacks to allow encroachments into front yard setbacks along Hollister Avenue and La Patera Lane (Section 35-262.a).
- A modification of landscape coverage requirements from 30% coverage to approximately 10% coverage (35-233.13.1).

It is recommended that these modifications be granted because appropriate design and parking requirements can still be achieved and because those modifications associated with the existing building reflect existing conditions.

Design Review Board (DRB)

The City's Design Review Board ("DRB") conducted a conceptual review of the project in 2007. On June 10, 2008, the DRB reviewed the revised project in order to consider the revised building configuration and to comment on the project following placement of story poles on the site the previous week. The DRB concurred that the relocation of the southwest corner of the building was an improvement, and most members agreed the new site plan was better. In general, while some members noted that the building still seemed large, several members noted that the size bulk and scale was appropriate for the site and neighborhood.

Goleta Growth Management Ordinance (GGMO)

The project is subject to Ordinance 03-04, the Goleta Growth Management Ordinance. The provisions of Section 8, Competitive System for Assigning Allocations to Non-Exempt Projects, are applicable. The ordinance includes a point system for non-exempt projects. Points are awarded at the time of any discretionary action for approval of the project. The criteria for awarding points are included in Attachment 9. Staff recommends the assignment of 6 points for this project.

Summary

The proposed project includes a land division and new hotel that would result in certain potentially significant impacts. All project impacts can be mitigated to a less than significant level, all mitigations have been included as conditions of approval, and all findings can be made (CEQA and administrative findings). The project also includes economic and other community benefits. Therefore, staff recommends approval of the proposed Marriott Residence Inn and Hollister Center project.

GOLETA STRATEGIC PLAN:

The Marriott Residence Inn and Hollister Center project would be consistent with the following Goals in the Strategic Plan entitled: "Promote a Healthy Business Climate" and moves the City closer towards realizing its vision as defined within the City's Strategic Plan.

ALTERNATIVES:

None are recommended.

LEGAL REVIEW:

This staff report has been reviewed by the City Attorney.

FISCAL IMPACTS:

The processing costs associated with the Marriott Residence Inn and Hollister Center Project are paid by the applicant.

Submitted By:

Reviewed by:

Approved By:

Steve Chase, Director
Planning and Environmental
Services

Michelle Greene, Director
Administrative Services

Daniel Singer
City Manager

ATTACHMENTS:

1. City Council Resolution 08-___; CEQA Resolution
2. City Council Ordinance 08-___; Ordinance Amendment for Hotel Overlay
3. City Council Resolution 08-___; Tentative Parcel Map, Development Plan, and Development Plan Amendment for the Marriott Residence Inn and Hollister Center Project
4. Planning Commission Resolution 08-08
5. Proposed Final Mitigated Negative Declaration (07-MND-003); Addendum dated August 1, 2008
6. Cultural Resources
7. General Plan Policy Consistency Analysis
8. Zoning Ordinance Consistency Analysis
9. Goleta Growth Management Ordinance, Section 8.2 (Award of Points)
10. Project Plans