

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ
ACKNOWLEDGING THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)
DETERMINATION AND APPROVING A COASTAL PERMIT, NON-RESIDENTIAL
DEMOLITION AUTHORIZATION PERMIT, DESIGN PERMIT, BOUNDARY LINE
ADJUSTMENT, SPECIAL USE PERMIT, ADMINISTRATIVE USE PERMIT, ADDITIONAL
HEIGHT REQUEST, REVOCABLE LICENSE FOR OUTDOOR EXTENSION AREA, AND A
HERITAGE TREE REMOVAL PERMIT, TO DEMOLISH A COMMERCIAL BUILDING,
COMBINE FIVE PARCELS, AND CONSTRUCT A SIX-STORY 232 ROOM HOTEL WITH
GROUND FLOOR RETAIL, BANUQUET AND CONFERENCE SPACE, RESTAURANT AND
BAR ON PROPERTY LOCATED IN THE CBD (CENTRAL BUSINESS DISTRICT) CZ-O
(COASTAL ZONE OVERLAY)/ SP-O (SHORELINE PROTECTION OVERLAY)/ F-P
(FLOODPLAIN)/FP-O (FLOODPLAIN OVERLAY) ZONE DISTRICT AND WITHIN THE
FRONT STREET/RIVERFONT SUBAREA OF THE DOWNTOWN PLAN. THE PROJECT
REQUIRES APPROVAL OF A SECTION 408 PERMIT FROM THE US ARMY CORPS OF
ENGINEERS TO ALLOW FOR THE PLACEMENT OF FILL BETWEEN THE LEVEE AND
THE PROPOSED BUILDING TO ALLOW FOR THE DEVELOPMENT OF AN OUTDOOR
EXTENSION AREA ADJACENT TO THE RIVERWALK PATH. THE PROJECT ALSO
INCLUDES A FINDING THAT THE SALE OF THE EXEMPT SURPLUS PROPERTIES IS
CONSISTENT WITH THE GENERAL PLAN IN ACCORDANCE WITH THE SURPLUS
LANDS ACT (APPLICATION NO. CP21-0051)

WHEREAS, on April 14, 2021, SCFS Venture LLC (“applicant”), for properties located at 302, 310, 314, 324, 326 and 328 Front Street also known as Assessor’s Parcel Numbers 005-151-29, -34, -35, -43 -48, and -51, applicant has applied for the above-described permits; and

WHEREAS, the project site and its development is governed by the standards and guidelines contained in California State Law, the City of Santa Cruz General Plan 2030, the Downtown Plan, and Santa Cruz Municipal Code; and

WHEREAS, the project qualifies for a Categorical Exemption for In-Fill Development pursuant to CEQA Guidelines Section 15332, as described fully in the staff report; and

WHEREAS, the Planning Commission determined the sale of the exempt surplus property to be consistent with the General Plan in accordance with the Surplus Lands Act;

WHEREAS, the Planning Commission conducted a duly noticed public hearing on February 15, 2024 to consider the project and by a vote of 6-0 made a recommendation to the City Council to approve the project; and

WHEREAS, the City Council conducted a duly noticed public hearing on March 26, 2024 to consider the application and the full public record; and

WHEREAS, the City Council now makes the following findings:

Coastal Permit, Section 24.08.250, which encompasses the Heritage Tree Removal Permit

1. Maintain views between the sea and the first public roadway parallel to the sea.

The project will not affect coastal views because the property is located on the corner of Front and Laurel Streets, almost a half mile inland from Beach Street, the first public roadway parallel to the sea.

2. Protect vegetation, natural habitats and natural resources consistent with the Local Coastal Land Use Plan.

The project site is not located within any sensitive natural habitat or resource areas as mapped in the General Plan and the Local Coastal Program. An Arborist report prepared by *Kurt Fouts* dated April 13, 2021, inventoried the trees in the project area, including along Front and Laurel Streets and the adjacent Riverwalk, and recommendations from the report are incorporated as conditions of approval for the project. Twenty-four trees were inventoried, including seven street trees and seventeen trees located along the Riverwalk. Most trees inventoried were in good or fair condition. Due to the excavation for the new hotel in addition to the placement of fill between the levee and the proposed building to allow for the development of an outdoor extension area adjacent to the Riverway path, sixteen of the trees are recommended for removal. Two of the eight trees to be retained are street trees, and six are Riverwalk trees. Conditions of approval require replacement trees or in-lieu fees, if replacement trees cannot be accommodated on site.

The property is located within a sensitive archaeological area. A cultural resource evaluation was conducted in January of 2022 by *Basin Research Associates*, which concluded that both environmental factors and the archival data indicate a low to very low potential for the exposure of significant historic resources and/or unique archaeological sites during ground disturbing construction. Based on a review of pertinent records, maps, and other documents and a field inventory, it was determined that the project will not affect any recorded historic properties or unique archaeological resources and that archaeological monitoring during ground disturbing construction does not appear warranted due to the low sensitivity for exposing significant subsurface cultural resources. If prehistoric and/or historic deposits or features are discovered during construction, construction will be required to cease and a qualified archaeologist to inspect and prepare recommendations for handling of the artifacts.

The project includes, either through design or conditions of approval, bird-safe strategies consistent with those enumerated in the Downtown Plan, including 1) Avoiding passageways or atriums that trap birds; 2) Using window glazing treatments that create a visual barrier to birds for the majority of glazing within the first 40-feet of ground level façade facing the Riverwalk; 3) Exterior illumination will be thoughtfully designed to minimize light pollution;; 4) Use of timers and avoiding up-lighting and spotlights that would be detrimental to wildlife;

and 5) Landscape designed to allow views from the building and to keep birds away from the building façade.

3. Be consistent with any applicable design plans and/or area plans incorporated into the Local Coastal Land Use Plan.

The project is consistent with the *Downtown Plan* and *San Lorenzo Urban River Plan*. The project implements the *Downtown Plan* First Principles and the Planning Principles and Strategies in several ways. The proposed building has its own unique character while still maintaining consistency with the design standards and guidelines within the *Downtown Plan*. The building height is consistent with Additional Height Zone B. The project provides a visitor-serving hotel which will in turn support other local businesses such as restaurants and retail in the downtown. The project's design creates a strong linkage to the river by having the restaurant, bar and banquet uses on the east side of the building orientated toward the Riverwalk. Finally, the site layout enhances pedestrian and bicycle usage with an outdoor stairway and new accessible pathways connecting Front Street and the Riverwalk as part of the Maple Paseo.

The project is consistent with the following *San Lorenzo Urban River Plan* polices:

- Improve the scenic and recreational value of the Riverfront
- Improve public access and pedestrian/bicycle movement to and along the River
- Improve the urban and neighborhood interface with the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh
- Incorporate the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh into the surrounding urban fabric of downtown and neighborhoods.
- Front Street – Significant Riverfront Areas (SRFA)-1: Require new development projects to incorporate design features that encourage active engagement with the Riverwalk such as: filling adjacent to the Riverwalk and landscaping, providing direct physical access to the Riverwalk, including appropriate active commercial and/or residential uses adjacent to the Riverwalk or providing a combination of these and/or other design features that support the resource enhancement and river engagement policies of the San Lorenzo River Plan.
- SRFA-3: Maintain the ten-foot setback area between residential and commercial uses adjacent to the levee trail from the western edge of the trail. The area between the property line and the Riverwalk shall be filled to raise the adjacent ground-level use to a similar or higher elevation as the Riverwalk. The public lands between the Riverwalk and the private property may incorporate publicly accessible commercial or residential amenities, such as outdoor public seating. Trees planted as part of the San Lorenzo Flood Control Improvement Project should be maintained and incorporated into new development where feasible and where not in conflict with the required fill or publicly accessible amenities.

4. Maintain public access to the coast along any coastline as set forth in the Local Coastal Land Use Plan.

The project's design creates a strong linkage to the river and coastline by having the restaurant, bar, and banquet uses on the east side of the building orientated toward the Riverwalk. Also,

the site layout enhances pedestrian and bicycle usage with an outdoor stairway and new accessible pathways connecting Front Street, Pacific Station Transit Center, and the Riverwalk as part of the Maple Paseo.

5. Be consistent with the Local Coastal Land Use Plan goal of providing visitor-serving needs as appropriate.

The proposed hotel will introduce 232 new high-quality hotel rooms to the Coastal Zone and provides a visitor-serving use which will in turn support other local businesses such as restaurants and retail in the downtown. The proposed project is consistent with the policies of the Local Coastal Program, including but not limited to the following policies:

- 2.4.6 Provide for the development of supporting land uses adjacent to retail shopping areas (e.g., motels/hotels around visitor-shopping areas, and residences and offices around resident-serving shopping areas), while assuring protection of existing residential neighborhoods. (See policies under L 2.9, ED 2.3, ED 5.2)
- 5.3.5 Ensure that visitor-serving facilities are arranged and developed in a compact, integrated manner to reduce automobile circulation and emphasize pedestrian movement. (See policy ED 5.3)
- 5.2 Encourage upgrades of existing hotel facilities and attract quality hotel and conference facilities in locations and scale appropriate to the City's character to enhance the quality of visitor-serving areas and promote development of the conference tourism market. (See policy ED 2.4.6)
- 2.7.2 Improve the character and quality of visitor-serving commercial areas to encourage more off-season and overnight visits. (See policies under goal ED 5)
- 7.6 Improve the San Lorenzo River levee to provide an additional community “linear park” resource which serves as improved access to Downtown in accordance with river design concept plans. (P. 278)
- T-5 Access and pathways in the Front Street corridor should be designed to draw people out of the downtown to the River.
- SRFA –7 Ensure that any parcel consolidation strategy provides for public access from the Front Street sidewalk to the levee. Maintain the ten-foot step back requirement between buildings included in the Downtown Recovery Plan for any development. Encourage pedestrian traffic through creative inviting design and incorporate water features, gardens, paving, and stairways up the levee as design features.
- 3.6 In pedestrian areas, require building design to be responsive to the pedestrian environment. These areas include but are not limited to Downtown, South of Laurel, the Beach, wharf, shoreline, and commercial shopping areas.
- 3.7 Require development to incorporate features to promote pedestrian use including new linkages to the pedestrian system. (See policy C 2.2.6)
- 2.6.3 Prioritize development of high-density mixed residential and commercial development in the City's Downtown Central Business District, North River Street, and South of Laurel areas over undeveloped lands at the periphery of the City. (See policies under CD 1.1, H 1.3.1.1, and H 1.3.1.3).
- 5.2.1 Encourage the development of facilities that would help accommodate conference users in conjunction with existing hotels or new hotel development.

- 5.2.2 Investigate the attraction of a top-end, full-service hotel to expand and improve the year-round conference segment of the tourism market.

The project proposes a wide range of public benefits, from publicly-accessible amenities to affordable housing contributions to low-cost overnight accommodation contributions as referenced in the City Council report. While the project's room rental rate is in the range of what the Coastal Commission would typically characterize as a high-cost accommodation, it is in the lower end of the range and is only marginally higher than the top end of the projected range for moderately-priced accommodations. Collectively, the project offers a package of accommodations, public amenities, and contributions that meet the City's visitor serving accommodation needs.

6. Be consistent with the Local Coastal Land Use Plan goal of encouraging coastal development uses as appropriate.

The Local Coastal Program encourages the expansion of visitor-serving accommodations in the Coastal Zone and will draw visitors to the downtown and nearby beach area. As proposed, the project is consistent with applicable policies of the Local Coastal Program, which seek to minimize the impact of development on coastal resources and provide visitor-serving uses in the beach area.

Nonresidential Demolition Authorization Permit, Section 24.08.1230.3

7. The cultural resources evaluation is accepted as accurate and complete; and the cultural resources evaluation concludes that the building or structure is not eligible for listing on the city historic building survey.

The primary commercial building on the site (*Santa Cruz Community Credit Union*) is proposed for demolition. Based on City of Santa Cruz Building Permit records, the original structure was constructed in 1978. Pursuant to the Nonresidential Demolition Authorization Permit ordinance, the purpose of this permit is to evaluate requests for demolition of nonresidential structures fifty years of age or older, and of undetermined age, to ensure that those which may have historic value are not demolished. The structure is less than fifty years in age and staff has evaluated the structure and determined that that the property is not listed on the California Register of Historic Resources, the National Register of Historic Places, or the City of Santa Cruz Historic Building Survey. The building is not the work of a prominent architect or builder, does not possess architectural interest nor significance, and is not eligible for listing in any of the aforementioned registers.

8. The project which will replace the demolished building or structure has been, or is concurrently being, approved by the city, and an appropriate building permit has been, or is concurrently being, issued; unless some other practical hardship can be documented rendering this requirement inappropriate.

The hotel project that will replace the demolished structure is being concurrently approved by the City. A condition of approval requires the building permit to be issued concurrently

with the demolition permit for the existing building unless some other practical hardship renders this requirement inappropriate.

- 9. The property owner has been advised of the benefits of listing the property on the city historic building survey and incorporating the preservation of the historic resource into the proposed project.**

The building in question is not eligible for listing on the historic building survey; therefore, this finding does not apply.

- 10. The cultural resources evaluation determines that the resource is eligible for listing on the city historic building survey, appropriate environmental review has been completed in accordance with the California Environmental Quality Act, and the zoning administrator can make a finding of overriding consideration that the replacement project will have public benefits which will outweigh the impact of loss of the historic resource.**

It has been concluded that the building in question is not eligible for listing on the historic building survey and is not historically significant under CEQA; therefore, this finding does not apply.

Design Permit, Section 24.08.430

- 11. The site plan and building design are consistent with design and development policies of the General Plan, any element of the General Plan, and any area plan, specific plan, or other city policy for physical development. If located in the Coastal Zone, the site plan and building design are also consistent with policies of the Local Coastal Program.**

The majority of the project site, within the privately owned parcels and where the building is proposed, has a General Plan land use designation of Regional Visitor Commercial (RVC)/Downtown Santa Cruz. The RVC/Downtown Santa Cruz designation emphasizes a mix of uses such as office and retail uses, residential and mixed-use developments, restaurants, and visitor attractions. The proposed use of the parcel as a hotel project is consistent with the intent of the RVC/Downtown Santa Cruz designation. The area of the project on City-owned land east of the building to the Riverwalk that is proposed to be filled and landscaped with outdoor amenities has a land use designation of Natural Area. This designation provides for land that should remain in an undeveloped state to provide for habitat protection, public safety, or public recreation. While the designation allows a public recreation use on a case-by-case basis, it should also be noted that the Downtown Plan and the San Lorenzo Urban River Plan requires such a use to be developed in this location as described below. The proposal creates a publicly accessible outdoor extension area connecting the development to the Riverwalk in this area consistent with the land use designation. The proposed project is also consistent with many General Plan policies relating to visitor-serving uses, alternative transportation, open space access, and downtown area development as follows:

- **Community Design CD1.1.4** *Identify and emphasize distinguishing natural features that strengthen Santa Cruz's visual image (i.e., open space, Monterey Bay).*
- **Community Design CD1.4.2** *Consider visual access to nearby natural areas as part of developmental review.*
- **Community Design CD1.5.1** *Enhance the prominence of the San Lorenzo River as a natural feature that provides structure, orientation, and recreational enjoyment by including it in surrounding area and management plans.*
- **Community Design CD1.5.2** *Provide incentives for new development adjacent to the San Lorenzo River that includes patios overlooking the river, enhanced connections to the levee trails, and other design features that connect the built environment to the river.*
- **Community Design CD3.1.1** *Strengthen the linkage between Downtown, the Beach Area, and San Lorenzo River through amendments to corresponding Area Plans and the Zoning Ordinance.*
- **Community Design CD3.1.2** *Maintain, update, and implement the City's San Lorenzo Urban River Plan.*
- **Community Design CD3.3.1** *Develop incentives to encourage the assembly of small parcels through Area Plan amendments and Zoning Ordinance changes.*
- **Community Design CD4.1.1** *Support compact mixed-use development Downtown, along primary transportation corridors, and in employment centers.*
- **Community Design CD4.1.1** *Where possible, site buildings at the street frontage and place parking areas away from street corners and to the rear of buildings.*
- **Community Design CD4.2.3** *Underground utilities when major road improvement or reconstruction is proposed, if possible.*
- **Community Design CD4.3.6** *Implement streetscape and other landscaping plans in the City's Area and Specific Plans.*
- **Community Design CD5.2.1** *Encourage buildings to be oriented towards sidewalks, public plazas, walkways, or rivers and to include features such as public benches and natural seating areas.*
- **Community Design CD5.2.2** *Encourage the incorporation of public benches and natural seating areas along public walkways and in public plazas and parks.*
- **Community Design CD5.2.4** *Ensure that new and revised design guidelines encourage the use of pedestrian-scaled fenestration, awnings, entrances, landscaping, and other amenities.*
- **Land Use LU1.1.2** *Create incentives for the consolidation of underdeveloped parcels relative to development potential.*
- **Land Use LU1.2.1** *Environmental review for specific projects shall be accompanied by sufficient technical data and reviewed by appropriate departments.*
- **Land Use LU2.3.1** *Protect, maintain, and enhance publicly accessible coastal and open space areas.*
- **Land Use LU3.11.2** *Ensure appropriate land uses and development standards that do not adversely impact adjacent open spaces.*
- **Mobility M1.1.1** *Create walkable, transit-oriented activity centers throughout the city.*
- **Mobility M1.1.2** *Connect activity centers with pedestrian and bicycle paths.*
- **Mobility M2.1.2** *Encourage use of alternative modes of transportation.*

- **Mobility Development Policy M1.3** - *Create pedestrian-friendly frontage and streetscapes and attractive pedestrian-oriented areas.*
- **Mobility M4.1.6** *Enhance the pedestrian orientation of the Downtown Central Business District.*
- **Mobility M4.1.7** *Require the site and building design facilitate pedestrian activity.*
- **Mobility M4.1.9** *Require landscaping in the development, replacement, and repair of sidewalks, including the placement of trees on private property and/or in tree wells on sidewalks.*
- **Economic Development ED1.1.2** – *Support the development and expansion of businesses that make a balanced contribution to the cultural, environmental, and economic health of the city.*
- **Economic Development ED1.1.3** - *Encourage the development of year-round businesses and visitor activities, resources, and destinations that can also attract and engage local residents.*
- **Economic Development ED 1.1.6** - *Revitalize the RiverFront area.*
- **Economic Development ED 1.5.1** - *Encourage the development of facilities that would accommodate conferences and conference-goers in conjunction with existing or new hotel development.*
- **Economic Development ED 1.5.2** - *Attract a top-end, full-service hotel to expand and improve the year-round conference segment of the tourism market.*
- **Economic Development ED1.7.2** - *Diversify the range of visitor attractions in Santa Cruz, particularly those that draw on the city's unique natural and cultural assets.*
- **Economic Development ED 5.5.1** - *Enhance Downtown as a welcoming and inviting destination for residents, visitors, and businesses.*
- **Economic Development ED 5.5.3** - *Retain existing businesses and attract new ones to downtown Santa Cruz.*
- **Economic Development ED 5.5.4** - *Create a distinctive and active pedestrian environment downtown.*
- **Economic Development ED5.1.1** *Provide for the development of supporting land uses adjacent to retail shopping areas, while assuring protection of existing residential neighborhoods.*
- **Economic Development ED5.3.1** *Provide for attractive commercial development (including more intensive and higher quality ground floor retail) along commercial corridors provided the uses are compatible with or transition easily to adjacent residential areas.*
- **Economic Development ED5.5.5** *Allow for the extension of café and retail uses within the public right-of-way, subject to design standards and management guidelines.*
- **Hazards, Safety, Noise HZ6.4.8** *Minimize the alteration of natural floodplains, stream channels, and natural protective barriers that accommodate or channel floodwaters.*
- **Parks, Recreation, and Open Space PR1.6.1** *Maintain and enhance access for vehicles, transit, bicycles, and pedestrians.*
- **Parks, Recreation, and Open Space PR4.1.3** *Maintain and enhance the recreational value of the San Lorenzo River walkway and the East and West Cliff Drive pathways*
- **Natural Resources and Conservation NRC1.1.2** *Where consistent with riparian and wetland protection, provide actual or visual access of a low-impact nature*

- **Natural Resources and Conservation NRC1.1.1** *Require setbacks and implementation of standards and guidelines for development and improvements within the city and adjacent to creeks and wetlands as set forth in the Citywide Creeks and Wetlands Management Plan.*
- **Natural Resources and Conservation NRC1.3.1** *Conserve creek, riparian, and wetland resources in accordance with the adopted City-wide Creeks and Wetlands Management Plan and the San Lorenzo River Plan.*

The project's proposed building design and open space improvements adjacent to the Riverwalk are consistent with the following San Lorenzo Urban River Plan (SLURP) goals and policies:

- Improve the scenic and recreational value of the Riverfront
- Improve public access and pedestrian/bicycle movement to and along the River
- Improve the urban and neighborhood interface with the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh
- Incorporate the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh into the surrounding urban fabric of downtown and neighborhoods.
- Front Street – Significant Riverfront Areas (SRFA)-1: Require new development projects to incorporate design features that encourage active engagement with the Riverwalk such as: filling adjacent to the Riverwalk and landscaping, providing direct physical access to the Riverwalk, including appropriate active commercial and/or residential uses adjacent to the Riverwalk or providing a combination of these and/or other design features that support the resource enhancement and river engagement policies of the San Lorenzo River Plan.
- SRFA-3: Maintain the ten-foot setback area between residential and commercial uses adjacent to the levee trail from the western edge of the trail. The area between the property line and the Riverwalk shall be filled to raise the adjacent ground-level use to a similar or higher elevation as the Riverwalk. The public lands between the Riverwalk and the private property may incorporate publicly accessible commercial or residential amenities, such as outdoor public seating. Trees planted as part of the San Lorenzo Flood Control Improvement Project should be maintained and incorporated into new development where feasible and where not in conflict with the required fill or publicly accessible amenities.

The project implements the Downtown Plan's First Principles and the Planning Principles and Strategies in that the proposed building has its own unique character while still maintaining consistency with the design standards and guidelines within the Downtown Plan; the building height is consistent with Additional Height Zone B (although augmented by the Density Bonus Request); the project provides a substantial amount of housing with 276 dwellings; the project's design creates a strong linkage of both the commercial and residential uses to the San Lorenzo River by having commercial and residential amenity uses on the east side of the building orientated toward the public plaza and Riverwalk; and the site layout enhances pedestrian and bicycle usage by connecting Soquel Avenue and the Riverwalk to the public plaza and the proposed indoor bicycle parking space.

The project is requesting additional height for a 70-foot tall base density project pursuant to the provisions of Additional Height Zone B. The project is consistent with criteria and

standards for this additional height zone and meets the Additional Height Zone B objectives as follows:

- i. *The additional height will help to achieve the First Principles of the Downtown Plan (e.g. form, scale, housing, accessibility and open space).*

The additional height to 70 feet allows the building to retain a form that provides architectural articulation as well as provide publicly accessible open space and access from Front Street to the Riverwalk via the Maple Paseo. The additional height allows for 116 more hotel rooms than would be created under a project that met only the base height, providing more visitor-serving accommodations and positive economic benefits to the downtown.

- ii. *The additional height will contribute to an improved social and economic environment;*

The Additional Height Request brings the building height to 70 feet and adds 116 more hotel rooms than would be accommodated within the 50-foot building base height. The result is a project that provides not only additional hotel rooms, but generates significant Transit Occupancy Tax, important conference/meeting room space, as well as restaurant and retail space in a location adjacent to the Riverwalk and walkable to many businesses in the downtown, generating economic and social activity in both of these areas.

- iii. *The form of the development promotes the appearance of a grouping of buildings rather than large monolithic building masses;*

The building follows a development standard for Additional Height Zone B that requires a building façade break with a length of at least 15 feet and depth of at least 10 feet along the Front Street elevation, as well as required stepbacks. The project meets the performance criteria in the Additional Height Zone B section which are intended to promote the appearance of multiple building rhythms at ground, middle and upper levels to promote the appearance of a grouping of buildings rather than large monolithic building masses.

- iv. *The development receiving additional height will physically and/or financially contribute its fair share (through an Improvement District, Development Agreement or similar mechanisms) to the implementation of internal pedestrian connections between Front Street and the Riverwalk;*

The parcel furthest north (APN 005-151-34) will remain owned by the city but will be improved with a 50-foot wide public paseo (Maple Paseo) connecting Front Street to the Riverwalk to be designed, constructed and maintained by the hotel.

- v. *The additional height will help to meaningfully achieve one or more of the following key community objectives, including but not limited to: Economic Development Contributions to the Downtown, Affordable Housing, Day Care Center, exceed Green*

Building minimums, Incubator Space for Small Business, Public Access Easements, Public Right-of-way Improvements, Publicly Accessible Open Space, Structured or Shared Parking, and Transportation Demand Management concepts.

The Additional Height Request brings the building height to 70 feet and adds 116 more hotel rooms than would be accommodated within the 50-foot building base height. The result is a project that provides not only additional hotel rooms, but important conference/meeting room space, as well as restaurant and retail space in a location adjacent to the Riverwalk and walkable to many businesses in the downtown, generating economic and social activity in both of these areas. In addition, the project contributes a 50-foot wide public paseo (Maple Paseo) connecting Front Street to the Riverwalk which will be designed, constructed and maintained by the hotel. Compliance with Criteria vii. below will result in the contribution of funds toward the City's Affordable Housing Trust Fund.

- vi. *Clear demonstration of the public benefit relating to two principal objectives: high-quality public access between Front Street and the river, and the appropriate treatment of the riverfront edge along the Riverwalk.*

The parcel furthest north (APN 005-151-34) will remain owned by the city but will be improved with a 50-foot wide public paseo (Maple Paseo) connecting Front Street to the Riverwalk to be designed, constructed and maintained by the hotel.

The proposed extension area includes amenities such an outdoor dining patio adjacent to the proposed restaurant and bar space, as well as an events lawn adjacent to the banquet/ballroom connecting this space to the adjacent Riverwalk.

- vii. *Affordable Housing Public Benefit Fee For Non-Residential Projects. An application for additional height is voluntary. Because an applicant requesting additional height is receiving a benefit in the form of increased height and intensity and to ensure that non-residential projects which are granted additional height reasonably contribute to the City's need for affordable housing, non-residential projects that are granted additional height shall be required to pay an in-lieu public benefit fee. The in-lieu public benefit fee shall be a minimum of \$5.00 per square foot of gross floor area occurring above the 50-foot Base Height limit (i.e., the additional gross floor area occurring within the project on levels that exceed the 50-foot Base Height limit). The fee shall be paid prior to occupancy of the project. All fees provided collected under this section shall be deposited in the City of Santa Cruz's affordable housing trust fund.*

With the hotel qualifying as a Non-Residential project and requesting additional height, the project will be required to pay an in-lieu public benefit fee of at least \$5.00 per square foot of gross floor area occurring about the 50-foot base height. With an estimated 45,500 square feet of gross floor area above the 50-foot base height, the minimum fee would be approximately \$227,500 which will be required to be paid into the City's affordable housing trust fund prior to occupancy of the hotel. A condition of approval has been included that speaks to this requirement.

12. **For non-residential projects, the project's location, size, height, operations, and other significant features and characteristics are compatible with and do not adversely affect or further degrade adjacent properties, the surrounding neighborhood, or the public health, safety, and welfare. For residential projects, the project complies with the objective standards and requirements of the zoning district in which it is located, as well as any objective standards of any area plan or other regulatory document that applies to the area in which the project is located.**

The proposed Front Street ground-floor lobby entry, porte cochere, retail space, and café uses have a compatible height and size with other ground-floor commercial uses in the Front Street area. Additionally, the project proposes to fill the City-owned property between the east side of the new building and the levee and create a publicly accessible outdoor extension area connecting the development to the Riverwalk. This is consistent with the Downtown Plan as well as the other development occurring along the Riverwalk stretch between Soquel Avenue and Laurel Street. Conditions of approval to maintain outdoor seating areas and the extension area adjacent to the Riverwalk in a safe and clean manner ensure that these areas will not adversely affect adjacent properties or the public health, safety, and welfare. In regards to size and height, the surrounding area has projects either under construction or that have been approved that are six to seven stories and therefore are similar in size and height.

13. **For non-residential projects, the project provides for an arrangement of uses, buildings, structures, open spaces, and other improvements that are compatible with the scale and character of the adjacent properties and surrounding neighborhood.**

The proposed mixed-use project includes ground floor commercial uses and open spaces on the Front Street, Laurel Street, and Riverfront elevations. These improvements are compatible with the surrounding neighborhood that is comprised of ground floor commercial uses with upper floor residential, office, or parking garage uses. The scale and location of the commercial uses is therefore similar to that of the surrounding area.

14. **The exterior design and appearance of buildings and structures and the design of the site plan shall be compatible with design and appearance of other existing buildings and structures in neighborhoods which have established architectural character worthy of preservation.**

The property is located in the Front Street/Riverfront neighborhood of the Downtown Plan, which includes design standards to ensure new development is consistent with the design and appearance of existing buildings and structures in the area. The exterior design and appearance of the building is compatible with the design and appearance of development in the area that are six to seven stories in height. The project is consistent with the development standards of the Downtown Plan.

15. **Design of the site plan respects design principles in terms of maintaining a balance of scale, form and proportion, using design components which are harmonious, and materials and colors which blend with elements of the site plan and surrounding areas. Location of structures takes into account maintenance of public views; rooftop**

mechanical equipment is incorporated into roof design or screened from public rights-of-way to the extent possible. Utility installations such as trash enclosures, storage units, traffic-control devices, transformer vaults and electrical meters are accessible and screened.

The 153,601 square foot, six-story building has a compatible scale to larger buildings in the downtown as well as new approved buildings such as the Front/Riverfront, Pacific/Laurel, Pac South, and Pac North developments nearly adjacent to the west and north. The site plan creates a well-connected development with a direct pedestrian and bike connection between downtown and the Riverwalk. The Riverwalk extension area also connects to the restaurant, bar and banquet room areas within the development, creating a building layout that balances and interconnects open space areas with commercial uses. The Laurel Street frontage and the extension area adjacent to the Riverwalk are well-landscaped, softening the view of the site from the public view and creating a harmonious transition to the San Lorenzo River.

The building has a consistent architectural style with a high level of detail on all elevations. Siding materials include a brick base, precast concrete or cement plaster above, wood or wood composite slats and panels, charcoal glazed brick veneer, dark metal canopies, dark aluminum storefront windows and doors, and hedge planters with glass windscreens that reflect building materials of the surrounding area. The colors appear in a variety of patterns along the building face, breaking up the massing and creating interest along the elevations. The building walls are punctuated by many windows, and vertical and horizontal detailing creates further relief. Balconies on upper floor units provide additional architectural detailing.

The proposed building would not block any significant public views identified in LCP Map CD-3 of the LCP or the visual sensitivity map included in the General Plan 2030 EIR. The site plan creates a public open space area between the new building and the Riverwalk that provides public views of the San Lorenzo River. Rooftop mechanical equipment is screened and compatible with the building design. A condition of approval requires all utility installations and mechanical equipment to be accessible and screened.

- 16. Where a site plan abuts, or is in close proximity to, uses other than that proposed, the plan shall take into account its effect on other land uses. Where a nonresidential use abuts or is in close proximity to a residential use, the effect of the site plan should maintain the residential quality of adjacent or nearby areas.**

The project site is surrounded by mixed use and commercial uses, a metro transit bus station, and the San Lorenzo River. The proposed hotel project is located in a highly urbanized area of the City. The use is compatible with the surrounding commercial, and residential mixed-use developments and is not anticipated to negatively affect those uses. The San Lorenzo River provides habitat for birds and other species. The project is designed to meet stormwater retention and treatment regulations, which ensures the project does not impact water quality of the river. Conditions of approval required bird-safe glazing, railings, and landscaping on this side of the building to minimize bird-building strikes near this habitat area. The extension area adjacent to the Riverwalk provides for passive and light active (walking, bicycling, etc.)

recreation adjacent to the River and also creates a transition from the urban nature of the new building to the adjacent natural area. Conditions of approval require the extension area to be maintained in a clean and safe condition and to regulate any large events in this location, which will ensure compatibility with the adjacent river.

17. **To the extent feasible, the orientation and location of buildings, structures, open spaces and other features of the site plan maintain natural resources including significant trees and shrubs, minimize impacts to solar access of adjacent properties, and minimize alteration of natural landforms; building profiles, location, and orientation must relate to natural landforms.**

The site has 24 trees, including seven street trees and seventeen trees located along the Riverwalk. Most trees inventoried were in good or fair condition. Due to the excavation for the new hotel in addition to the placement of fill between the levee and the proposed building to allow for the development of an outdoor extension area adjacent to the Riverway path, sixteen of the trees are recommended for removal, eleven of which are heritage. Two of the eight trees to be retained are street trees, and six are Riverwalk trees. An Arborist report prepared by *Kurt Fouts* dated April 13, 2021 inventoried the trees on the site and provided recommendations with regard to the project. The City Urban Forester has reviewed the arborist report and agrees with the recommendations. A condition of approval requires the project to follow the report's recommendations.

Removal of the eleven heritage trees requires approval of a Heritage Tree Removal Permit, which is encompassed by the Coastal Permit since the site is in the Coastal Zone. The trees to be removed must be replaced with new trees at a ratio of either two 24-inch box trees or six 15-gallon trees for each tree to be removed, or by payment of a comparable in-lieu fee as allowed by the City Urban Forester. A condition of approval requires the project to meet the replacement requirement for these trees.

The riparian trees to be removed are potentially under the jurisdiction of the U.S. Army Corps of Engineers (ACOE) and/or the California Department of Fish and Wildlife (CDFW). A condition of approval require the project to obtain any required permits from these agencies prior to removing the riparian trees.

The Downtown Plan's Guidance for Bird Safe Structures Along the San Lorenzo River calls for avoidance of transparent glass on building corners and walls and for design to avoid funneling open space to a building façade. The guidance measures also call for glass treatment to create a visual signal or barrier to prevent birds from flying into the glass. The citywide Bird Safe Building Design Standards call for similar measures for glazing within 40 feet above the ground. To ensure the project is consistent with these standards, conditions of approval require glazing along the east side of the building facing the San Lorenzo River within 40 feet of the ground and all glazing within 30 feet of building corners to be treated in a manner accepted by the American Bird Conservancy.

The site does not have any significant natural landforms that the project would alter. The project involves filling a section of land adjacent to the existing man-made levee to the extent needed to create a connection between the new building and the Riverwalk.

- 18. The site plan ensures that the scale, bulk, and setbacks of new development preserves important public views along the ocean and of designated scenic coastal areas. Where appropriate and feasible, the project shall restore and enhance visual quality of visually degraded areas.**

There are no views of the ocean or designated scenic coastal areas identified on Map CD-3 of the LCP from or through the project site, and the site is not located in a scenic coastal area. As the site is currently underdeveloped, development of the site with the proposed quality design will enhance the visual quality of the area.

- 19. The site plan shall reasonably protect against external and internal noise, vibration and other factors which may tend to make the environment less desirable. The site plan should respect the need for privacy of adjacent residents.**

Any noise or vibrations that may occur as a result of construction are temporary; once constructed, the proposed mixed-use development will not cause any noise, vibrations, or other factors beyond those normally associated with a commercial development that would make the environment less desirable. An environmental noise study for the project was prepared by *Salter Inc.* in March of 2022 and then was updated in November of 2022. The purpose of the study was to determine the noise environment at the proposed site, compare measured data with applicable City and state standards, and provide mitigation measures, as necessary, to meet those standards. In summary, the project will require sound-rated windows to reduce exterior noise intrusion in order to meet the State and local noise standards. A second noise study was prepared by SM&W dated March 13, 2024. That study evaluated construction noise control & operations. A condition of approval requires the project to implement the recommendations in both noise analyses. A standard condition of approval requires that the project operate in a manner that adheres to the City's Municipal Code standards related to noise. The proposed extension area will be required to meet any local and outside agency regulations regarding outdoor dining, alcohol service, and events, which will ensure compatibility on the site.

- 20. Building and structures shall be designed and oriented to make use of natural elements such as solar radiation, wind, and landscaping for heating, cooling, ventilation, and lighting.**

The new building includes windows on all four elevations to allow light and air to pass through the building. Landscaping in the Riverfront extension area, Maple Alley, and along the Laurel Street frontage provide a natural cooling effect for the project site, and new trees provide shading. The flat roof provides space for solar photovoltaic equipment.

Boundary Line Adjustment, Section 23.12.030.1b

- 21. The parcels resulting from the lot line adjustment will conform to the general plan, any applicable specific plan, any applicable coastal plan, zoning and building ordinances.**

The project site is comprised of five lots which the project consolidates into one lot through a sequential lot line adjustment. A lot line adjustment can be done with four or fewer parcels, and the consolidation of five parcels into two can be done sequentially through lot line adjustments that each involve no more than four lots. The resulting lot exceeds the 5,000 square foot minimum lot area for the Central Business District zone district. The existing buildings, as well as the proposed new development, conform to the zoning ordinance and California Building Codes with regard to construction assemblies in close proximity to the new lot lines.

- 22. A greater number of parcels than originally existed are not created by the lot line adjustment.**

The lot line adjustment results in one lot, which is fewer than the five lots originally existing before the lot line adjustment.

Administrative Use Permit for Low-Risk Alcohol Outlet, Section 24.12.1104

- 23. The proposed use complies with all of the requirements of this section and Section 24.12.1106;**

The alcohol related uses proposed as part of the project have been reviewed and determined to be in compliance with the mandatory requirement listed in Zoning Code Section 24.12.1106, The requirements have been included as conditions of approval in addition to conditions added by the Santa Cruz Police Department as part of the project review.

- 24. The proposed use will not adversely affect the health, safety or welfare of area residents, or uses, or will not result in a harmful concentration in the area of establishments dispensing, for sale or other consideration, alcoholic beverages, including beer and wine;**

The proposed use will not adversely affect the health, safety, or welfare of area residents in that the proposed bar uses are located within the hotel structure or within the defined outdoor extension areas adjacent to the hotel facing the Riverwalk and are not adjacent to residential uses. Rooftop deck and bar uses have been evaluated through a noise study, and no significant impacts are anticipated as a result of those operations. Conditions of approval have been included to establish requirements that prevent nuisance issues. It has been determined that the proposed use will not result in a harmful concentration in the area of establishments that dispense or sell alcohol.

- 25. The operational characteristics of the proposed use, such as live or amplified entertainment, will not have a negative impact upon the surrounding area; and**

Entertainment would be subject to an Entertainment Permit from the Police Department. Conditions in this permit require that any entertainment be conducted in a manner that does not create a public or private nuisance. Entertainment is expected to be temporary and intermittent. Hours, locations, types of entertainment allowed, and other factors are regulated as part of this permit and as part of Entertainment Permits to ensure compatibility with the surrounding area. Conditions of approval are incorporated for live entertainment, regardless of the location of that entertainment on the site, so that the proposed use will not have a negative impact upon the surrounding area. Similarly, sound from the rooftop deck and bar were evaluated as part of a noise analysis from acoustical consultants SM&W, and noise levels from those uses are not expected to create adverse impacts on the nearby sensitive receptors (e.g., residences across Front Street) or other uses in the vicinity. Standard conditions of approval require that the use operates in a manner that adheres to the noise requirements of the City's Municipal Code. Any non-compliance with conditions of an Entertainment Permit, including that the use operate in a manner that does not create a public or private nuisance, can result in revocation of the Entertainment Permit. As conditioned, the operational characteristics and associated safeguards (such as Entertainment Permit revocation) ensure that the proposed use will not have a negative impact on the surrounding area.

26. The proposed use is consistent with the surrounding neighborhood character.

The bar uses are common amenities associated with a hotel of this size and will be compatible with the surrounding uses in the downtown area.

Special Use Permit, Section 24.08.050

27. The proposed structure or use conforms to the requirements and the intent of this title, and of the General Plan, relevant area plans, and the Coastal Land Use Plan, where appropriate;

A Special Use Permit (SUP) is required to allow the development of the outdoor extension area within the Floodplain Zone District as part of the application. The purpose of the Zoning Ordinance includes, among other goals, an intent to protect and promote the public health, safety, morals, peace, prosperity, and the general community welfare. The outdoor extension area creates an outdoor public recreational area adjacent to the San Lorenzo River that adds to the general community welfare. Conditions of approval to maintain the extension area ensure a level of safety and community welfare within this outdoor area.

The project is located within the Central Business District (CBD) zone district. The intent of this district is to implement the objectives of the Downtown Plan, and the project is consistent with the Downtown Plan. The outdoor extension area spans across land zoned CBD as well as land zoned Floodplain (F-P). Conditions of approval require the property owner to enter into a revocable license agreement to meet requirements for a revocable extension area license per the CBD zone district. The proposal is consistent with the development standards of the F-P zone district in that the site plan shows this area developed as an outdoor public space with pathways, seating, outdoor recreation spaces, and landscaping; the proposed

grading plans show the dimensions of the existing land profile and the proposed level of fill on the exterior side of the levee; and fill will be on the exterior side of the levee and will not affect floodway capacity or flood heights. In addition, the project fulfills environmental review requirements with a conclusion that the project qualifies for a categorical exemption from CEQA for infill development and with a condition of approval to complete the Army Corps of Engineers permit and associated NEPA review required to fill the west side of the levee. The entire project site is within the Floodplain Overlay Zone District (FP-O). The site's A-99 FEMA floodplain designation exempts all aspects of the project from the floodplain development standards of the FP-O zone district.

The majority of the project site, within the privately owned parcels where the new building is proposed, has a General Plan land use designation of Regional Visitor Commercial (RVC)/Downtown Santa Cruz, which emphasizes a mix of uses such as office and retail uses, residential and mixed-use developments, restaurants, and visitor attractions. The proposed hotel is consistent with the land use designation. The area of the project on City owned land east of the building to the Riverwalk that is proposed to be filled and landscaped with outdoor amenities has a land use designation of Natural Area. This designation provides for land that should remain in an undeveloped state to provide for habitat protection, public safety, or public recreation. The proposal creates a publicly accessible outdoor extension area consistent with the land use designation. The outdoor extension area is consistent with the following general plan policies:

- CD1.1.4 Identify and emphasize distinguishing natural features that strengthen Santa Cruz's visual image (i.e., open space, Monterey Bay).
- CD1.4.2 Consider visual access to nearby natural areas as part of developmental review.
- CD1.5.1 Enhance the prominence of the San Lorenzo River as a natural feature that provides structure, orientation, and recreational enjoyment by including it in surrounding area and management plans.
- CD1.5.2 Provide incentives for new development adjacent to the San Lorenzo River that includes patios overlooking the river, enhanced connections to the levee trails, and other design features that connect the built environment to the river.
- CD3.1.1 Strengthen the linkage between Downtown, the Beach Area, and San Lorenzo River through amendments to corresponding Area Plans and the Zoning Ordinance.
- CD3.1.2 Maintain, update, and implement the City's San Lorenzo Urban River Plan.
- CD4.1.3 Identify and establish design concepts that make visitor-serving corridors attractive and interesting through landscaping, banners, flags, art, and displays.
- CD4.3.6 Implement streetscape and other landscaping plans in the City's Area and Specific Plans.
- CD5.2.1 Encourage buildings to be oriented towards sidewalks, public plazas, walkways, or rivers and to include features such as public benches and natural seating areas.
- CD5.2.2 Encourage the incorporation of public benches and natural seating areas along public walkways and in public plazas and parks.
- CD5.2.4 Ensure that new and revised design guidelines encourage the use of pedestrian-scaled fenestration, awnings, entrances, landscaping, and other amenities
- LU2.3.1 Protect, maintain, and enhance publicly accessible coastal and open space areas.

- LU3.11.2 Ensure appropriate land uses and development standards that do not adversely impact adjacent open spaces.
- M1.1.2 Connect activity centers with pedestrian and bicycle paths.
- M2.1.2 Encourage use of alternative modes of transportation.
- M4.1.6 Enhance the pedestrian orientation of the Downtown Central Business District.
- M4.1.7 Require the site and building design facilitate pedestrian activity.
- ED1.1.6 Revitalize the Riverfront area.
- ED1.7.2 Diversify the range of visitor attractions in Santa Cruz, particularly those that draw on the city's unique natural and cultural assets.
- ED5.5.1 Enhance Downtown as a welcoming and inviting destination for residents, visitors, and businesses.
- ED5.5.4 Create a distinctive and active pedestrian environment downtown
- ED5.5.5 Allow for the extension of café and retail uses within the public right-of-way, subject to design standards and management guidelines.
- PR1.1.3 Evaluate all lands, regardless of size, for their potential development as small parks, community gardens, or landscape lots.
- PR1.6.1 Maintain and enhance access for vehicles, transit, bicycles, and pedestrians.
- PR3.1.1 Provide recreational and educational opportunities within the open space lands and coastline consistent with adopted master or management plans.
- PR4.1.3 Maintain and enhance the recreational value of the San Lorenzo River walkway and the East and West Cliff Drive pathways
- NRC1.1.2 Where consistent with riparian and wetland protection, provide actual or visual access of a low-impact nature

The proposed extension area use of the project is consistent with and implements the following goals and policies of the San Lorenzo Urban River Plan:

- Improve the scenic and recreational value of the Riverfront
- Improve public access and pedestrian/bicycle movement to and along the River
- Improve the urban and neighborhood interface with the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh
- Incorporate the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh into the surrounding urban fabric of downtown and neighborhoods.
- Front Street – Significant Riverfront Areas (SRFA)-1: Require new development projects to incorporate design features that encourage active engagement with the Riverwalk such as; filling adjacent to the Riverwalk and landscaping, providing direct physical access to the Riverwalk, including appropriate active commercial and/or residential uses adjacent to the Riverwalk or providing a combination of these and/or other design features that support the resource enhancement and river engagement policies of the San Lorenzo River Plan.
- SRFA-3: Maintain the ten-foot setback area between residential and commercial uses adjacent to the levee trail from the western edge of the trail. The area between the property line and the Riverwalk shall be filled to raise the adjacent ground-level use to a similar or higher elevation as the Riverwalk. The public lands between the Riverwalk and the private property may incorporate publicly accessible commercial or residential amenities, such as outdoor public seating. Trees planted as part of the San Lorenzo Flood Control Improvement

Project should be maintained and incorporated into new development where feasible and where not in conflict with the required fill or publicly accessible amenities.

With regard to the Downtown Plan, the hotel's extension area use implements the Downtown Plan's First Principles as well as the plan's Planning Principles and Strategies in that the proposed building has its own unique character while still maintaining consistency with the design standards and guidelines within the Downtown Plan; the building height is consistent with Additional Height Zone; the project provides an important visitor-serving use; the project's design creates a strong linkage to the river by having commercial uses on the east side of the building orientated toward the Riverwalk; and the site layout enhances pedestrian and bicycle usage by connecting Front Street and Laurel Street to the Riverwalk.

The proposed project is consistent with the policies of the Local Coastal Program, including but not limited to the following policies:

- 2.4.6 Provide for the development of supporting land uses adjacent to retail shopping areas (e.g., motels/hotels around visitor-shopping areas, and residences and offices around resident-serving shopping areas), while assuring protection of existing residential neighborhoods. (See policies under L 2.9, ED 2.3, ED 5.2)
- 5.3.5 Ensure that visitor-serving facilities are arranged and developed in a compact, integrated manner to reduce automobile circulation and emphasize pedestrian movement. (See policy ED 5.3)
- 5.2 Encourage upgrades of existing hotel facilities and attract quality hotel and conference facilities in locations and scale appropriate to the City's character to enhance the quality of visitor-serving areas and promote development of the conference tourism market. (See policy ED 2.4.6)
- 2.7.2 Improve the character and quality of visitor-serving commercial areas to encourage more off-season and overnight visits. (See policies under goal ED 5)
- 7.6 Improve the San Lorenzo River levee to provide an additional community "linear park" resource which serves as improved access to Downtown in accordance with river design concept plans. (P. 278)
- T-5 Access and pathways in the Front Street corridor should be designed to draw people out of the downtown to the River.
- SRFA –7 Ensure that any parcel consolidation strategy provides for public access from the Front Street sidewalk to the levee. Maintain the ten-foot step back requirement between buildings included in the Downtown Recovery Plan for any development. Encourage pedestrian traffic through creative inviting design and incorporate water features, gardens, paving, and stairways up the levee as design features.
- 3.6 In pedestrian areas, require building design to be responsive to the pedestrian environment. These areas include but are not limited to Downtown, South of Laurel, the Beach, wharf, shoreline, and commercial shopping areas.
- 3.7 Require development to incorporate features to promote pedestrian use including new linkages to the pedestrian system. (See policy C 2.2.6)
- 2.6.3 Prioritize development of high-density mixed residential and commercial development in the City's Downtown Central Business District, North River Street, and South of Laurel areas over undeveloped lands at the periphery of the City. (See policies under CD 1.1, H 1.3.1.1, and H 1.3.1.3).

- 5.2.1 Encourage the development of facilities that would help accommodate conference users in conjunction with existing hotels or new hotel development.
- 5.2.2 Investigate the attraction of a top-end, full-service hotel to expand and improve the year-round conference segment of the tourism market.

The Local Coastal Program encourages the expansion of visitor-serving accommodations in the Coastal Zone and will draw visitors to the downtown and nearby beach area. As proposed, the project is consistent with applicable policies of the Local Coastal Program, which seek to minimize the impact of development on coastal resources and provide visitor-serving uses in the beach area.

28. That any additional conditions stipulated as necessary in the public interest have been imposed;

In addition to conditions to ensure consistency with the Downtown Plan, conditions of approval require maintenance of the extension area in a clean and safe condition and removal of moveable furniture at the close of business to ensure that the extension area space will be maintained in a safe and nuisance-free manner. Finally, a condition of approval requires stairwell entrances to be illuminated, secured, and accessible to police and other emergency responders.

29. That such use or structure will not constitute a nuisance or be detrimental to the public welfare of the community; and

The outdoor extension areas are not expected to constitute a nuisance or otherwise be detrimental to the public welfare since the use will not produce odor, glare, sounds, or other nuisance features. For the development of the outdoor extension area, conditions of approval that require maintenance of the extension area in clean and safe condition and removal of moveable furniture at the close of business ensure that the space will be maintained in a safe and nuisance-free manner. Finally, a condition of approval requires stairwell entrances to be secured and accessible to police and other emergency responders.

30. That all thrift store uses shall include a management plan that identifies collection facilities for donated items, operating hours for donation facilities which discourage unsupervised dropoffs, adequate storage areas for sorting the materials, and provides a plan to properly dispose of unusable items in a timely, secure, and orderly fashion and maintains premises in a clean and attractive condition.

The project does not contain a thrift store; therefore, this finding does not apply.

Extension Area Revocable License Findings, Section 24.10.2340(6)(c)

31. The extension area in the particular location on the sidewalk will not adversely affect the use of the public street, will implement the Downtown Recovery Plan, and the General Plan.

The project includes fill between the outer edge of the levee and the building to expand the Riverwalk area west of the existing path. Commercial spaces face the Riverwalk and Maple Paseo, and the area is conditioned to be maintained in a safe and clean manner. The permit is conditioned to require the owner to obtain a modified Revocable License Agreement for the use and management of the expanded fill areas together with a perpetual Maintenance Agreement to sustain landscaping and improvements in an attractive manner for the life of the project. The extension area includes landscaping, seating opportunities, and commercial spaces that bridge the gap between the public and private realm, as encouraged by the Downtown Plan at the Riverwalk. The Riverwalk extension area does not adversely affect the use of a public street in that it is not located adjacent to a public street and is consistent with the goals in the Downtown Plan. Maple Paseo will not adversely impact a public street as it encourages non-motorized transportation from the adjacent transit center (Pacific Station), directs bicycle and pedestrian activity toward the Riverwalk and off of Front Street, and provides outdoor seating away from Front Street within the Paseo.

32. The proposed use will not be detrimental to persons residing, visiting, or working in the area.

The extension area at the Riverwalk is not detrimental to the general public in that conditions of approval are included that require maintenance of the extension area in clean and safe condition and removal of moveable furniture at the close of business. The presence of public and quasi-public commercial activity along the Riverwalk within the extension area promotes crime prevention through environmental design and is believed to help improve conditions for persons, residing, visiting, or working the area.

33. The proposed use will conform to all relevant regulations in the Municipal Code, and applicable county regulations and state law.

The use of the extension area conforms to all relevant regulations in the Municipal Code and the Downtown Plan and applicable County Environmental Health regulations and State Law in that the property owner and/or future tenants are required to obtain approval of all pertinent City, County and State agencies prior to construction and use, including but not limited to accessibility requirements, outdoor food service and alcohol service, entertainment, and outdoor programmed events.

Shoreline Protection Overlay District, Section 24.10.2430

34. Protect trees and vegetation and sensitive wildlife habitat;

The project site is not located within any sensitive natural habitat or resource areas as mapped in the General Plan and the Local Coastal Program. An Arborist report prepared by Kurt Fouts dated April 13, 2021 inventoried the trees in the project area, including along Front and Laurel Streets and the adjacent Riverwalk. Twenty-four trees were inventoried, including seven street trees and seventeen trees located along the Riverwalk. Most trees inventoried were in good or fair condition. Due to the excavation for the new hotel in addition to the

placement of fill between the levee and the proposed building to allow for the development of an outdoor extension area adjacent to the Riverway path, sixteen of the trees are recommended for removal (eleven of which qualify as heritage). Two of the eight trees to be retained are street trees, and six are Riverwalk trees. The City Urban Forester has reviewed the arborist report and agrees with the recommendations. A condition of approval requires the project to follow the report's recommendations and that the trees to be removed must be replaced with new trees at a ratio of either two 24-inch box trees or six 15-gallon trees for each tree to be removed, or by payment of a comparable in-lieu fee as allowed by the City Urban Forester.

- 35. Be consistent with the following criteria for bluff or cliff development:**
- a. The development is sited and designed to assure stability and structural integrity of its expected economic life span and minimize alterations to natural land forms.**
 - b. The development will not create or contribute significantly to problems of erosion or geologic instability on the site or on surrounding geologically hazardous areas.**
 - c. The development minimizes alteration of cliffs, bluff tops, faces or bases, and will not interfere with sand movement.**
 - d. The development which proposes use of retaining walls shall be allowed only to stabilize slopes. Sea walls at the toe of sea cliffs to check marine erosion shall be allowed only where there is no less environmentally damaging alternative.**
 - e. The development within one hundred feet of any cliff or bluff line shall follow the recommendations of an approved geologic report by a registered geologist. The area where such a report is required may be increased where the issue of slope stability requires a greater distance from any cliff or bluff line.**

Not applicable. The project is located inland from the first public roadway parallel to the sea and is not located on a coastal bluff or cliff.

- 36. Provide maximum erosion protection, using accepted engineering practices and other methods and specifications set forth in this title;**

The project site does not contain steep slopes. Erosion control measures will be required as part of the grading permit. Plans submitted for building permits will be required to demonstrate compliance with the revised Chapter 6B of the City's Best Management Practices Manual – Storm Water BMPs for Private and Public Development Projects. Required documentation will include a Storm Water Control Plan following the guidance in Chapter 6B demonstrating compliance with the water quality treatment and runoff retention requirements, and an Operation and Maintenance Plan for stormwater control measures incorporated in to the project design. Site plans shall contain notes and details on stormwater control measures incorporated in the project design.

37. Maintain public view corridors between the sea and the first public roadway parallel to the sea and maintain natural views of the coastline;

The project will not affect coastal views because the property is located behind Beach Hill and well inland from the first public roadway parallel to the sea and will not impact views between the sea and the first public roadway.

38. Protect paleontological resources as prescribed in the Land Use Plan;

The site is not located within a mapped sensitive paleontological area. A condition of approval requires work to be stopped in the unlikely event that resources are discovered during construction.

39. Protect and enhance free public access to or along the beach, and sign such access when necessary;

The project includes development of Maple Paseo which provides a direct pedestrian and bike connection between downtown, public transit, and the Riverwalk as well outdoor extension area improvements between the building and the Riverwalk. These improvements protect and enhance the Riverwalk which provides access to the beach area for pedestrian and cyclists. Wayfinding signage is anticipated within the Paseo.

40. Include mitigation measures prescribed in any applicable environmental document;

Not applicable.

41. Be compatible with the established physical scale of the area;

The project site is surrounded by developed urban commercial uses on the north, west, and south. The project is bordered by the Santa Cruz Riverwalk and San Lorenzo River on the east; urban commercial and residential developments exist to the east of the river. Mixed-use projects varying from six to eight stories consisting of residential uses with ground floor commercial uses, are being developed or are approved in the vicinity. Therefore, the proposed six-story hotel is compatible with the established physical scale of the area.

42. Be consistent with the design review guidelines of this title and the policies of any applicable area plan;

The project is consistent with the *Downtown Plan* and *San Lorenzo Urban River Plan*. The project implements the *Downtown Plan* First Principles and the Planning Principles and Strategies in several ways. The proposed building has its own unique character while still maintaining consistency with the design standards and guidelines within the *Downtown Plan*. The building height is consistent with Additional Height Zone B. The project provides a visitor-serving hotel which will in turn support other local businesses such as restaurants and retail in the downtown. The project's design creates a strong linkage to the river by having the restaurant, bar and banquet uses on the east side of the building orientated toward the

Riverwalk. Finally, the site layout enhances pedestrian and bicycle usage with an outdoor stairway and new accessible pathways connecting Front Street and the Riverwalk as part of the Maple Paseo.

The project is consistent with the following *San Lorenzo Urban River Plan* policies:

- Improve the scenic and recreational value of the Riverfront
- Improve public access and pedestrian/bicycle movement to and along the River
- Improve the urban and neighborhood interface with the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh
- Incorporate the San Lorenzo River, Branciforte Creek, and Jessie Street Marsh into the surrounding urban fabric of downtown and neighborhoods.
- Front Street – Significant Riverfront Areas (SRFA)-1: Require new development projects to incorporate design features that encourage active engagement with the Riverwalk such as: filling adjacent to the Riverwalk and landscaping, providing direct physical access to the Riverwalk, including appropriate active commercial and/or residential uses adjacent to the Riverwalk or providing a combination of these and/or other design features that support the resource enhancement and river engagement policies of the San Lorenzo River Plan.
- SRFA-3: Maintain the ten-foot setback area between residential and commercial uses adjacent to the levee trail from the western edge of the trail. The area between the property line and the Riverwalk shall be filled to raise the adjacent ground-level use to a similar or higher elevation as the Riverwalk. The public lands between the Riverwalk and the private property may incorporate publicly accessible commercial or residential amenities, such as outdoor public seating. Trees planted as part of the San Lorenzo Flood Control Improvement Project should be maintained and incorporated into new development where feasible and where not in conflict with the required fill or publicly accessible amenities.

43. Be consistent with the policies of the Local Coastal Program, the General Plan, and the California Coastal Act.

The majority of the project site, within the privately owned parcels and where the building is proposed, has a General Plan land use designation of Regional Visitor Commercial (RVC)/Downtown Santa Cruz. The RVC/Downtown Santa Cruz designation emphasizes a mix of uses such as office and retail uses, residential and mixed-use developments, restaurants, and visitor attractions. The proposed use of the parcel as a hotel project is consistent with the intent of the RVC/Downtown Santa Cruz designation. The area of the project on City-owned land east of the building to the Riverwalk that is proposed to be filled and landscaped with outdoor amenities has a land use designation of Natural Area. This designation provides for land that should remain in an undeveloped state to provide for habitat protection, public safety, or public recreation. While the designation allows a public recreation use on a case-by-case basis, it should also be noted that the Downtown Plan and the San Lorenzo Urban River Plan requires such a use to be developed in this location as described below. The proposal creates a publicly accessible outdoor extension area connecting the development to the Riverwalk in this area consistent with the land use designation. The proposed project is also consistent with many General Plan policies relating to visitor-serving

uses, alternative transportation, open space access, and downtown area development as follows:

- **Community Design CD1.1.4** *Identify and emphasize distinguishing natural features that strengthen Santa Cruz's visual image (i.e., open space, Monterey Bay).*
- **Community Design CD1.4.2** *Consider visual access to nearby natural areas as part of developmental review.*
- **Community Design CD1.5.1** *Enhance the prominence of the San Lorenzo River as a natural feature that provides structure, orientation, and recreational enjoyment by including it in surrounding area and management plans.*
- **Community Design CD1.5.2** *Provide incentives for new development adjacent to the San Lorenzo River that includes patios overlooking the river, enhanced connections to the levee trails, and other design features that connect the built environment to the river.*
- **Community Design CD3.1.1** *Strengthen the linkage between Downtown, the Beach Area, and San Lorenzo River through amendments to corresponding Area Plans and the Zoning Ordinance.*
- **Community Design CD3.1.2** *Maintain, update, and implement the City's San Lorenzo Urban River Plan.*
- **Community Design CD3.3.1** *Develop incentives to encourage the assembly of small parcels through Area Plan amendments and Zoning Ordinance changes.*
- **Community Design CD4.1.1** *Support compact mixed-use development Downtown, along primary transportation corridors, and in employment centers.*
- **Community Design CD4.1.1** *Where possible, site buildings at the street frontage and place parking areas away from street corners and to the rear of buildings.*
- **Community Design CD4.2.3** *Underground utilities when major road improvement or reconstruction is proposed, if possible.*
- **Community Design CD4.3.6** *Implement streetscape and other landscaping plans in the City's Area and Specific Plans.*
- **Community Design CD5.2.1** *Encourage buildings to be oriented towards sidewalks, public plazas, walkways, or rivers and to include features such as public benches and natural seating areas.*
- **Community Design CD5.2.2** *Encourage the incorporation of public benches and natural seating areas along public walkways and in public plazas and parks.*
- **Community Design CD5.2.4** *Ensure that new and revised design guidelines encourage the use of pedestrian-scaled fenestration, awnings, entrances, landscaping, and other amenities.*
- **Land Use LU1.1.2** *Create incentives for the consolidation of underdeveloped parcels relative to development potential.*
- **Land Use LU1.2.1** *Environmental review for specific projects shall be accompanied by sufficient technical data and reviewed by appropriate departments.*
- **Land Use LU2.3.1** *Protect, maintain, and enhance publicly accessible coastal and open space areas.*
- **Land Use LU3.11.2** *Ensure appropriate land uses and development standards that do not adversely impact adjacent open spaces.*
- **Mobility M1.1.1** *Create walkable, transit-oriented activity centers throughout the city.*

- **Mobility M1.1.2** *Connect activity centers with pedestrian and bicycle paths.*
- **Mobility M2.1.2** *Encourage use of alternative modes of transportation.*
- **Mobility Development Policy M1.3** - *Create pedestrian-friendly frontage and streetscapes and attractive pedestrian-oriented areas.*
- **Mobility M4.1.6** *Enhance the pedestrian orientation of the Downtown Central Business District.*
- **Mobility M4.1.7** *Require the site and building design facilitate pedestrian activity.*
- **Mobility M4.1.9** *Require landscaping in the development, replacement, and repair of sidewalks, including the placement of trees on private property and/or in tree wells on sidewalks.*
- **Economic Development ED1.1.2** – *Support the development and expansion of businesses that make a balanced contribution to the cultural, environmental, and economic health of the city.*
- **Economic Development ED1.1.3** - *Encourage the development of year-round businesses and visitor activities, resources, and destinations that can also attract and engage local residents.*
- **Economic Development ED 1.1.6** - *Revitalize the RiverFront area.*
- **Economic Development ED 1.5.1** - *Encourage the development of facilities that would accommodate conferences and conference-goers in conjunction with existing or new hotel development.*
- **Economic Development ED 1.5.2** - *Attract a top-end, full-service hotel to expand and improve the year-round conference segment of the tourism market.*
- **Economic Development ED1.7.2** - *Diversify the range of visitor attractions in Santa Cruz, particularly those that draw on the city's unique natural and cultural assets.*
- **Economic Development ED 5.5.1** - *Enhance Downtown as a welcoming and inviting destination for residents, visitors, and businesses.*
- **Economic Development ED 5.5.3** - *Retain existing businesses and attract new ones to downtown Santa Cruz.*
- **Economic Development ED 5.5.4** - *Create a distinctive and active pedestrian environment downtown.*
- **Economic Development ED5.1.1** *Provide for the development of supporting land uses adjacent to retail shopping areas, while assuring protection of existing residential neighborhoods.*
- **Economic Development ED5.3.1** *Provide for attractive commercial development (including more intensive and higher quality ground floor retail) along commercial corridors provided the uses are compatible with or transition easily to adjacent residential areas.*
- **Economic Development ED5.5.5** *Allow for the extension of café and retail uses within the public right-of-way, subject to design standards and management guidelines.*
- **Hazards, Safety, Noise HZ6.4.8** *Minimize the alteration of natural floodplains, stream channels, and natural protective barriers that accommodate or channel floodwaters.*
- **Parks, Recreation, and Open Space PR1.6.1** *Maintain and enhance access for vehicles, transit, bicycles, and pedestrians.*
- **Parks, Recreation, and Open Space PR4.1.3** *Maintain and enhance the recreational value of the San Lorenzo River walkway and the East and West Cliff Drive pathways*

- **Natural Resources and Conservation NRC1.1.2** Where consistent with riparian and wetland protection, provide actual or visual access of a low-impact nature
- **Natural Resources and Conservation NRC1.1.1** *Require setbacks and implementation of standards and guidelines for development and improvements within the city and adjacent to creeks and wetlands as set forth in the Citywide Creeks and Wetlands Management Plan.*
- **Natural Resources and Conservation NRC1.3.1** *Conserve creek, riparian, and wetland resources in accordance with the adopted City-wide Creeks and Wetlands Management Plan and the San Lorenzo River Plan.*

The proposed project requires a Coastal Permit because it is located within the Coastal Zone Overlay (CZ-O) district, with portions located within the Shoreline Protection Overlay (SP-O) District. The proposed project is consistent with the policies of the Local Coastal Program, including but not limited to the following policies:

- 2.4.6 Provide for the development of supporting land uses adjacent to retail shopping areas (e.g., motels/hotels around visitor-shopping areas, and residences and offices around resident-serving shopping areas), while assuring protection of existing residential neighborhoods. (See policies under L 2.9, ED 2.3, ED 5.2)
- 5.3.5 Ensure that visitor-serving facilities are arranged and developed in a compact, integrated manner to reduce automobile circulation and emphasize pedestrian movement. (See policy ED 5.3)
- 5.2 Encourage upgrades of existing hotel facilities and attract quality hotel and conference facilities in locations and scale appropriate to the City's character to enhance the quality of visitor-serving areas and promote development of the conference tourism market. (See policy ED 2.4.6)
- 2.7.2 Improve the character and quality of visitor-serving commercial areas to encourage more off-season and overnight visits. (See policies under goal ED 5)
- 7.6 Improve the San Lorenzo River levee to provide an additional community “linear park” resource which serves as improved access to Downtown in accordance with river design concept plans. (P. 278)
- T-5 Access and pathways in the Front Street corridor should be designed to draw people out of the downtown to the River.
- SRFA –7 Ensure that any parcel consolidation strategy provides for public access from the Front Street sidewalk to the levee. Maintain the ten-foot step back requirement between buildings included in the Downtown Recovery Plan for any development. Encourage pedestrian traffic through creative inviting design and incorporate water features, gardens, paving, and stairways up the levee as design features.
- 3.6 In pedestrian areas, require building design to be responsive to the pedestrian environment. These areas include but are not limited to Downtown, South of Laurel, the Beach, wharf, shoreline, and commercial shopping areas.
- 3.7 Require development to incorporate features to promote pedestrian use including new linkages to the pedestrian system. (See policy C 2.2.6)
- 2.6.3 Prioritize development of high-density mixed residential and commercial development in the City's Downtown Central Business District, North River Street, and

South of Laurel areas over undeveloped lands at the periphery of the City. (See policies under CD 1.1, H 1.3.1.1, and H 1.3.1.3).

- 5.2.1 Encourage the development of facilities that would help accommodate conference users in conjunction with existing hotels or new hotel development.
- 5.2.2 Investigate the attraction of a top-end, full-service hotel to expand and improve the year-round conference segment of the tourism market.

Surplus Lands General Plan Consistency Finding, Government Code Section 65402

Section 65402 of the Government Code requires a general plan consistency determination be prepared by the planning agency prior to the sale of public land, and the Planning Commission serves as the City's planning agency. While the majority of the project site is privately owned (23,231 square feet), two city owned parcels are proposed to be sold to be incorporated in the project. The third city parcel (005-151-34) involved in the project will remain owned by the city, but would contain a 50-foot wide public paseo (Maple Paseo) connecting Front Street to the Riverwalk to be designed, constructed, and maintained by the hotel. The 4,623 square foot most southerly property consists of mostly landscaping, and the 4,407 square foot northerly parcel is currently surface parking. Both parcels are not being utilized for their highest and best use, and with a public parking garage to be constructed as part of the recently approved library project, new public parking will be available in the nearby vicinity to help with the downtown parking supply. The parcels are both within the Downtown Plan area where hotels are a principally permitted use, and as discussed above the proposed project is consistent with General Plan including the following policies:

- **Economic Development ED1.1.2** – *Support the development and expansion of businesses that make a balanced contribution to the cultural, environmental, and economic health of the city.*
- **Economic Development ED1.1.3** - *Encourage the development of year-round businesses and visitor activities, resources, and destinations that can also attract and engage local residents.*
- **Economic Development ED 1.1.6** - *Revitalize the RiverFront area.*
- **Economic Development ED 1.5.1** - *Encourage the development of facilities that would accommodate conferences and conference-goers in conjunction with existing or new hotel development.*
- **Economic Development ED 1.5.2** - *Attract a top-end, full-service hotel to expand and improve the year-round conference segment of the tourism market.*
- **Economic Development ED1.7.2** - *Diversify the range of visitor attractions in Santa Cruz, particularly those that draw on the city's unique natural and cultural assets.*
- **Economic Development ED 5.5.1** - *Enhance Downtown as a welcoming and inviting destination for residents, visitors, and businesses.*
- **Economic Development ED 5.5.3** - *Retain existing businesses and attract new ones to downtown Santa Cruz.*

The Downtown Plan speaks to visitor-serving uses that are sustainable and provide economic strength to the region. The first line of “The Community’s Vision” in the Downtown Plan states “Vibrant, vital and active, the central business district constitutes the primary retail, commercial,

professional, and employment center for the City of Santa Cruz.” To achieve this, the General Plan contains policies and the Downtown Plan contains regulations that seek to attract more visitors and businesses to the downtown. The hotel will drive economic vitality in the downtown, bringing new visitors and tourists to the downtown, including during the off-peak season, which is critical to supporting downtown retailers, restaurants, and businesses. Adding a hotel to the mix of established businesses and attractions will contribute to the overall success of the downtown. In addition, the hotel development accomplishes many other key principles and strategies of the Downtown Plan, such as enhancing the open space and pedestrian network, creating new open space, celebrating the San Lorenzo River as a major open space, reinforcing the pedestrian-oriented environment with ground-level and Riverwalk-level commercial spaces, seizing the opportunity to intensify development, strengthening downtown as a place of local and regional employment (both directly through jobs on site and indirectly through improved business travel opportunities in proximity to downtown businesses), concentrating commercial development in the downtown, and creating a stronger relationship between downtown and the beach by improving the Riverwalk and paseos that connects the two. Therefore, the City’s sale of the two surplus parcels to support the subject project is consistent with the General Plan and Downtown Plan.

While alternative uses are not proposed at this time, other uses of the two properties being sold would also be consistent with the City’s General Plan and Downtown Plan. The General Plan states that Downtown Santa Cruz “Emphasizes a mix of regional office and retail uses, residential and mixed-use developments, restaurants, and visitor attractions such as entertainment venues. The Downtown Recovery Plan provides detailed requirements for this area.” The Downtown Recovery Plan (now renamed the “Downtown Plan”), in addition to supporting the hotel use that boosts local businesses and promotes economic activity, also supports a range of other uses, such as offices, residential (as a component of mixed-use projects with ground-floor commercial), entertainment, and other uses. Future development of the site with alternative uses to the hotel would also be consistent with the General Plan, if they follow the applicable allowable uses and principles from the General Plan and Downtown Plan.

With Respect to the California Environmental Quality Act

The review determined that the project is categorically exempt from environmental review under Article 19 of the California Environmental Quality Act (CEQA) Guidelines, Section 15332, related to infill development. The Class 32 categorical exemption applies to a proposed project fulfilling the following criteria:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses;
- (c) The project site has no value as habitat for endangered, rare, or threatened species;
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and
- (e) The site can be adequately served by all required utilities and public services.

The proposed project complies with all of the foregoing criteria and demonstrates eligibility for implementation of a Class 32 Categorical Exemption as afforded by CEQA. The application exhibits consistency with General Plan and zoning designations, policies, and regulations, with a project site comprising of 36,242 square feet (0.83-acre) in size, below the maximum threshold of five (5) acres, located within city limits and surrounded by existing residential and commercial urban uses. As a previously-developed urban infill site, the subject lot holds no value as habitat for endangered, rare, or threatened species, with none known to exist on the site; development of the project would not result in any significant impact relating to traffic, noise, air quality or water quality as supported by the submitted information; and the site can be adequately served by all required utilities and public services. Noise associated with the project has been assessed in two separate reports, and standard conditions of approval require adherence to the recommendations in those reports and City noise standards. Noise from entertainment will be temporary and intermittent and would be controlled by the conditions contained in the project approvals as well as conditions of an Entertainment Permit, and any entertainment must be conducted in a manner that does not create a public or private nuisance, consistent with conditions of approval, or revocation of the requisite Entertainment Permit would occur. Other technical analyses were also prepared to support the CEQA determination and are available as part of the record, as are analyses in the staff reports to Planning Commission and City Council that provide additional supporting evidence. Therefore, the proposal qualifies for the Categorical Exemption found in CEQA Guidelines Section 15332, infill exemption, attached as Exhibit B.

None of the exceptions to the exemptions under Section 15300.2 apply to the project in that the project site is not located in a mapped environmentally sensitive area, the project is not part of a larger project that could result in a cumulative impact, there are no unusual circumstances associated with the project or subject parcel, the project will not result in damage to resources associated with an officially designated scenic highway, the project site is not included on any lists compiled pursuant to Section 65962.5 of the Government Code related to Hazardous Waste Sites, and the project will not result in substantial adverse changes in the significance of a historical resource site in that there are no known historic resources on the property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby acknowledges the CEQA determination, authorizes, and approves the Coastal Permit, Non-Residential Demolition Authorization Permit, Design Permit, Boundary Line Adjustment, Special Use Permit, Revocable License for Outdoor Extension Area, Maintenance Agreement, Heritage Tree Removal Permit and Additional Height to demolish a commercial building, combine five parcels, and construct a six-story, 232-room hotel with ground floor retail, public paseo, banquet and conference space, restaurant, and bar on property located within the CBD (Central Business District)/CZ-O (Coastal Zone Overlay)/SP-O (Shoreline Protection Overlay)/F-P (Floodplain)/FP-O (Floodplain Overlay) zone district and within the Front Street/Riverfront subarea of the Downtown Plan. The project requires approval of a Section 408 Permit from the US Army Corps of Engineers to allow for the placement of fill between the levee and the proposed building to allow for the development of an outdoor extension area adjacent to the Riverway path, subject to the Findings listed above and the Conditions of Approval listed in Exhibit "A," attached hereto and made a part hereof.

PASSED AND ADOPTED this ____ day of _____ 2024, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: _____
Fred Keeley, Mayor

ATTEST: _____
Bonnie Bush, City Clerk Administrator

EXHIBIT "A"

CONDITIONS OF APPROVAL FOR THE PROJECT ON PROPERTY AT

302, 310, 314, 324, 326, 328 Front Street – CP21-0051

Coastal Permit, Non-Residential Demolition Authorization Permit, Design Permit, Boundary Line Adjustment, Special Use Permit, Administrative Use Permit, Additional Height Request, a Revocable License for an Outdoor Extension Area, and a Heritage Tree Removal Permit to demolish a commercial building, combine five parcels, and construct a six-story, 232-room hotel with ground floor retail, banquet and conference space, restaurant, and bar on property located within the CBD (Central Business District)/CZ-O (Coastal Zone Overlay)/SP-O (Shoreline Protection Overlay); F-P (Floodplain)/FP-O (Floodplain Overlay) zone district and within the Front Street/Riverfront subarea of the Downtown Plan. The project requires approval of a Section 408 Permit from the US Army Corps of Engineers to allow for the placement of fill between the levee and the proposed building to allow for the development of an outdoor extension area adjacent to the Riverway path. The project also includes a finding that the sale of the exempt surplus properties is consistent with the General Plan in accordance with the Surplus Lands Act (Environmental Determination: Categorical Exemption)

1. If one or more of the following conditions is not met with respect to all its terms, then this approval may be revoked.
2. All plans for future construction which are not covered by this review shall be submitted to the City Planning and Community Development Department for review and approval.

3. This permit shall be exercised within three (3) years of the date of final approval or it shall become null and void. When a building permit is required, a zoning permit shall be considered exercised following the issuance of a valid building permit. When only an occupancy permit is required, a zoning permit shall be considered exercised when the occupancy permit is issued.
4. If, upon exercise of this permit, this use is at any time determined by the Planning Commission to be incompatible with the surrounding neighborhood, revocation of, or amendment to, this permit by the Planning Commission could occur.
5. The use shall meet the standards and shall be developed within limits established by Chapter 24.14 of the Santa Cruz Municipal Code as to the emission of noise, odor, smoke, dust, vibration, wastes, fumes or any public nuisance arising or occurring incidental to its establishment or operation.
6. The applicant shall be responsible for the completeness and accuracy of all forms and supporting material submitted in connection with any application. Any errors or discrepancies found therein may result in the revocation of any approval or permits issued in connection therewith.
7. All final working drawings shall be submitted to the Zoning Administrator for review and approval in conjunction with building permit application. The plans submitted for building permits shall have the same level of articulation, detailing, and dimensionality as shown in the approved plans. All approved exterior finishes and materials shall be clearly notated on the building permit plans.
8. The applicant and contractor who obtains a building permit for the project shall be required to sign the following statement at the bottom of these conditions, which will become conditions of the building permit:

“I understand that the subject permit involves construction of a building (project) with an approved Design Permit. I intend to perform or supervise the performance of the work allowed by this permit in a manner which results in a finished building with the same level of detail, articulation, and dimensionality shown in the plans submitted for building permits. I hereby acknowledge that failure to construct the building as represented in the building permit plans, may result in delay of the inspections process and/or the mandatory reconstruction or alteration of any portion of the building that is not in substantial conformance with the approved plans, prior to continuation of inspections or the building final.”

Signature of Building Contractor

Date

9. All requirements of the Building, Fire, Economic Development, Public Works, and Water Departments shall be completed prior to occupancy and continuously maintained thereafter.

10. The property owner and/or project applicant agree(s) as a condition and in consideration of the approval of this discretionary development permit that it will, pursuant to agreement and/or statutory provisions as applicable, including but not limited to Government code Section 66474.9, defend, indemnify and hold harmless the City of Santa Cruz or its agents, officials, officers and employees from any claim, action or proceeding against the City or its agents, officials, officers or employees to attack, set aside, void or annul this approval, which action is brought within the time period provided for under law, including but not limited to, Government Code Section 66499.37, as applicable. The property owner and/or project applicant will reimburse the City for any court costs and attorney's fees, which the City may be required by a court to pay as a result of such action. City may, at its sole discretion, participate in the defense of such action; but such participation shall not relieve the property owner and/or project applicant of these obligations under this condition. An agreement to this effect shall be recorded upon demand of the City Attorney or concurrent with the issuance of building permits, use of the property, filing of the final map, whichever occurs first and as applicable. The City shall promptly notify the property owner and/or project applicant of any such claim, action or proceeding and the City shall cooperate fully in the defense thereof. If the City fails to promptly notify the property owner and/or project applicant of any such claim, action or proceeding or fails to cooperate fully in the defense thereof, the property owner and/or project applicant shall not thereafter be responsible to defend, indemnify or hold the City harmless.
11. The applicant and/or property owner shall be responsible for ensuring that any existing buildings approved for demolition or conversion remain occupied by a tenant or, if any buildings are vacant or become vacant prior to demolition or conversion, that these buildings are adequately secured to prevent break-ins and other vandalism. All windows, doors, and other openings into vacant buildings shall be completely covered and a six-foot tall chain link fence shall be installed around the perimeter of the property. Graffiti shall be removed or painted over within 72 hours. If a break-in occurs, the applicant and/or property owner shall, within 24 hours, clean the site of trash and debris, and re-secure the site and building(s). Additionally, following a break-in, the applicant/property owner shall provide the Planning Department, SCFD Fire Marshall and SCPD with a copy of a signed contract with a private security company to provide ongoing monitoring of the site. If a break-in or other public safety concern occurs at the site that requires an emergency response, the applicant and/or property owner shall be responsible for paying the fully burdened hourly rates for Police, Fire, Code Compliance, or other City Staff to respond and follow up.

PRIOR TO BUILDING PERMIT APPLICATION:

12. Pursuant to Section 66412(d) of the California Government Code the following requirements have been imposed in order for the lot-line adjustment to conform with the City's Zoning and Building Ordinances, or to facilitate the relocation of existing utilities, infrastructure, or easements:
 - The lot line adjustment shall be recorded as a sequential lot line adjustment, with each lot line adjustment involving no more than four lots;

- For each sequential lot line adjustment, a new property description shall be recorded with the County Recorder's office and a copy of the recorded description provided to the City Planning Department. The deed(s) of conveyance must contain the following statement after the description of the property(ies) or portion(s) of property to be transferred:
"The purpose of the deed is to adjust the boundary between Lots [insert lots here] as approved by the City of Santa Cruz under Application CP21-0051. This conveyance may not create a separate parcel and is null and void unless the boundary is adjusted as stated."
 - Prior to recordation of the Lot Line Adjustments, accommodations shall be made to ensure that the City retains possession of the portion of the southernmost lot (005-151-48) located at the northeast corner of Front and Laurel Streets that falls within the public right-of-way and any additional right-of-way necessary and not yet dedicated to facilitate completion of the Downtown Intersection Improvements Project, which is planned to widen the intersection of Laurel Street, Front Street, and Broadway; provided that additional right-of-way does not materially impact development of the project as approved.
13. The sequential lot line adjustments needed to establish the project site shall be recorded prior to approval of any demolition, grading, or building permit.
 14. The applicant shall apply for and obtain new addresses for the site from the City Planning Department.
 15. Prior to building permit application, applicant shall pay any outstanding fees associated with environmental review or preparation of documentation for federal permits.

PRIOR TO BUILDING PERMIT ISSUANCE:

16. Adequate provisions shall be made to supply water to each of the premises covered by this application. The design of water facilities shall be to standards of the Water Department and plans therefore must be submitted to the Water Department Director for review and approval prior to the issuance of a building permit.
17. Landscape and irrigation plans shall be submitted at the time of the building permit application and will be reviewed by both the Planning Department and Water Department. The landscape and irrigation plans shall demonstrate compliance with all requirements of the City's Water-Efficient Landscaping Ordinance in Chapter 16.16 of the Santa Cruz Municipal Code prior to issuance of the building permit.
18. Public Improvement Agreement for Fill Structure and Levee Improvements. The applicant shall work with the Public Works Department to record an agreement addressing the fill structure adjacent to the levee, which may include easements or other such rights necessary for construction of the fill and Levee improvements. The agreement(s) shall require that the applicant or Project Owner, and its successors are responsible for ongoing maintenance of the fill area and any damage to the levee resulting from installation or maintenance of the fill, the project or any associated work or environmental conditions over the life of the project. It shall also be specific as to the design, engineering, and construction of the fill and

Riverwalk improvements including detailing all utilities, both public and private, within the fill structure. The agreement(s) shall also include the tree and landscape maintenance responsibilities per the flood control improvement project.

The Project developer shall design, construct, and maintain the proposed public improvements between Front Street and the San Lorenzo River (the “Maple Alley Paseo”) as more particularly shown on the approved plans and as specified in the Public Improvement Agreement, unless otherwise directed by the City in writing. The design of the paseo shall be in accordance with the accepted principles of crime prevention through environmental design (CPTED) to the satisfaction of the City. The Project shall enter into a maintenance agreement for the paseo and Riverwalk (Levee) Improvements with the City prior to the Certificate of Occupancy to the satisfaction of the City. The Maintenance Agreement shall require the Project owner to maintain all public or quasi-public improvements, landscaping, trees, fixtures, and furnishings on public property for the life of the project, which may include periodic replacement or restoration of materials upon terms set in the Agreement.

19. Section 408 Army Corps of Engineers Permit: Prior to the issuance of a building, grading, or demolition permit for the site, a Section 408 Permit shall be issued for the project by the Army Corps of Engineers (ACOE). The plans approved by the ACOE must be consistent with the plans submitted for building/grading permit issuance and the applicant must demonstrate that the ACOE has approved the landscaping plans submitted with the building permit application. The applicant shall be responsible for the documentation, consultants, and fees related to obtaining the Section 408 Permit.
20. The project shall provide replacement trees or an equivalent in-lieu fee, as determined by the City Urban Forester, for the eleven heritage trees approved for removal due to their location within the project footprint. Replacement trees shall be shown on the building permit plans at a ratio of two 24-inch box tree or six 15-gallon trees for each of the four trees to be removed and shall identify a location, size, and species as approved by the City Urban Forester. If an in-lieu fee is provided, the fee shall be paid prior to issuance of any demolition, building, or grading permit or removal of any heritage trees.
21. Prior to building permit approval, and prior to removal of any riparian tree, applicant shall submit evidence of a permit from Army Corps of Engineers to remove the existing riparian trees within the project site.
22. Final colors, materials and transitions shall be approved by the Zoning Administrator prior to approval of building permits.
23. Prior to issuance of the building permit, the property owner shall sign and submit a BMP maintenance agreement ensuring that they will provide long-term operation and maintenance of structural storm water control measures (see template in Appendix C of Chapter 6B Storm Water BMPs for Private and Public Development Projects). The signed maintenance agreement should be attached to the O&M Plan.
24. Prior to issuance of the demolition permit(s), the applicant shall obtain a building permit for the construction of the new building. Issuance of the demolition permit may be made prior to

building permit issuance at the discretion of the Planning Director, if building permit plan check is nearing completion and permit issuance is eminent or if special circumstances warrant earlier demolition.

25. Prior to issuance of a demolition, building, or grading permit, the applicant shall meet the requirements of the Santa Cruz County Environmental Health (SCCEH) Department.
26. Final building permit plans shall include the following:
 - a. Plans submitted for building permit issuance shall include electric vehicle charging stations as required per Section 24.12.241 of the Zoning Ordinance.
 - b. Plans submitted for building permit issuance shall show all exterior site lighting locations and fixture details. All exterior building lighting shall be shielded and contained in a downward direction. No exterior lighting shall produce off-site glare. Exterior site lighting shall be provided along pedestrian pathways and in the vehicle parking area. Security lighting shall be motion sensor only.
 - c. Building permit plans shall specify the glass treatments consistent with the City of Santa Cruz Bird Safe Building Design Standards (City Standards) for building exteriors within 40 feet of grade and facing the San Lorenzo River. Treatments should follow the “2” x 4” rule” included in the City Standards and may include:
 - Bird safe glass approved for use by the American Bird Conservancy
 - Fritted windows
 - Patterned windows
 - UV pattern film (not appropriate for all locations)
 - Window nets
 - Window screens
 - Any American Bird Conservancy approved product:<https://abcbirds.org/glass-collisions/stop-birds-hitting-windows/>
 - Other design measures identified by a qualified biologist with a background in ornithology as providing adequate bird protections and that do not conflict with required findings for a Planning Permit.
 - d. Bicycle parking shall be provided in accordance with Section 24.12.250-252 of the City's Zoning Ordinance and shall be shown on final building permit plans.
 - e. All utilities and transformer boxes shall be placed underground in accordance with the provisions of Section 24.12.700 through 24.12.740 of the Zoning Ordinance. Location of utilities and transformer boxes shall be shown on final building permit plans. Pursuant to Chapter 24.12, Part 8 of the Zoning Ordinance the project shall install dark conduit for future expansion of the City's broadband network along its street frontage.
 - f. A drainage plan shall be submitted in conjunction with application for building permits.
 - g. Final building permit plans shall indicate the type of glass used in all ground level windows. The use of reflective or tinted glass in ground level show windows is prohibited.
 - h. Final building permit landscape plans shall indicate the height at maturity of all plants proposed in the Riverwalk extension area. All plants proposed in this area, other than trees, shall be no more than 42 inches in height at maturity.
 - i. Final building permit plans shall include a lighting plan that shows exterior lighting at all building entryways and stairways.
 - j. Final building permit plans shall not include any up-lighting or spotlights.

- k. Building permit plans shall show design of roof drainage.
 - l. Final building permit plans shall include a lighting plan that provides the following: lighting shall be incorporated into the facade of the building and shall complement the style of the building. Lights on buildings shall not be glaring to pedestrians and shall illuminate only the extension area and the activities within. General illumination shall be at 5 foot-candles, with a maximum of 10 foot-candles. Table lamps or candles are encouraged in cafe areas.
 - m. All commercial spaces shall allow for future food and/or beverage service uses. Final building permit plans shall identify the venting and grease trap locations for the restaurant space as well as possible future venting and grease trap locations for commercial spaces 1, 3, and 4.
 - n. Development shall meet any applicable flood zone requirements, including but not limited to FEMA requirements, any applicable regulations in Parts 21 and 28 of Chapter 24.10 of the Zoning Ordinance, and any other applicable flood requirements.
 - o. The vehicular driveway exit from the hotel may include an automated warning buzzer, sign, or other mechanism to alert pedestrians of outgoing vehicles, to the satisfaction of the Public Works and Planning & Community Development Directors.
27. A pre-construction nesting bird survey shall be conducted by a qualified biologist if construction, including tree removal, adjacent to the San Lorenzo River, is scheduled to begin from February 1 to August 31 to determine if active nests are present in or near the construction sites. The survey shall be conducted no more than seven days before the start of any construction activities on the site (including tree removal, clearing, and excavation). If nesting bird species protected under the Migratory Bird Treaty Act and/or California Fish and Game Code (§3503) are found and the biologist determines that construction activities could result in the removal of an active nest or cause mortality of eggs or young, the biologist shall identify a suitable no-disturbance buffer around the nest in which no work would be allowed until after the biologist has determined the nest is no longer in use or the young have fledged. Alternatively, construction may be delayed until after the nesting season (i.e., September). The nesting survey shall be submitted to the Planning Department for review and approval prior to the start of construction.
28. Rooftop structures, shade canopies, and equipment shall meet applicable setbacks, heights, and any other applicable criteria from the Downtown Plan or Zoning Code Section 24.12.150. The shade structures proposed as part of the rooftop pool area shall meet the required 15-foot setback from the roof edge. This shall be demonstrated on the construction drawings as part of the building permit plan check review.
29. Prior to the issuance of the first building permit, the applicant shall contribute to the provision of affordable housing in accordance with the Downtown Plan by providing an in-lieu public benefit fee payment to the City of Santa Cruz of \$5.00 per additional square foot of floor area above the base height limit as required by the certified Local Coastal Program.

In addition, prior to the issuance of a certificate of occupancy, the applicant shall enter into a recorded agreement with the City of Santa Cruz to implement an affordable workforce housing program whereby the hotel operator would lease no fewer than four market rate offsite dwelling units located within the City of Santa Cruz (studios and 1-bedrooms, at the applicant's discretion), with preference for units in the downtown area, and make them available at subsidized rents for qualifying low or very-low income employees of the hotel

as affordable workforce housing for a period of 20 years. The agreement shall be subject to the review and approval of the Economic Development & Housing Director. If required by applicant's lender as a condition to any construction or other financing to be secured by the hotel, such agreement shall also be fully subordinated to the deed of trust in favor of such lender. Rents shall be subsidized such that hotel workers would be paying no more than 30% of their income, with income verification conducted by the hotel operator. Compliance monitoring shall occur on an annual basis and require the hotel operator to provide a certification and sworn affidavit, in a format to be agreed upon by the applicant and the City of Santa Cruz, indicating how the project is complying with the program, the location and type of unit leased, and amount paid for rent. In the event that the applicant demonstrates that, despite good faith efforts, it is not feasible to implement the program described above prior to occupancy, the applicant may alternatively provide an in-lieu public benefit fee equivalent to the average construction cost of providing four low-income units, similar to the in-lieu fees authorized in compliance with Section 24.16.030(6) of the City's Zoning Ordinance, which shall be calculated based on the average production cost per unit of the three most recently completed affordable housing projects in the City of Santa Cruz.

30. If a vibratory ground improvement system, such as vibro replacement stone columns (VSCs), is selected for the project, require vibration data be provided by the ground improvement contractor prior to construction so that potential effects to adjacent structures can be evaluated, and that continuous vibration monitoring be performed during installation of the VSCs to make sure structural vibration criteria is not exceeded.
31. Prior to building permit issuance or at a later time, no later than certificate of occupancy, with said payment timing subject to the discretion of the Director of Public Works, the applicant shall contribute fair-share payments for improvements at the following intersections: Front/Soquel (signal timing and lane modifications); Front/Laurel (westbound lane addition and north and south right-turn overlap); and Pacific/Laurel (southbound left-turn lane addition), consistent with the EIR prepared for the Downtown Plan Amendments in 2017.

DURING CONSTRUCTION:

32. All refuse and recycling activities during construction shall be done in accordance with Chapter 6.12 of the Santa Cruz Municipal Code. Be aware that private companies offering refuse or debris box services are not allowed to operate within the City limits, except under certain limited circumstances detailed in Chapter 6.12.160.
33. Any person exercising a development permit or building permit who, at any time in the preparation for or process of excavating or otherwise disturbing earth, discovers any human remains of any age or any artifact or any other object which reasonably appears to be evidence of an archaeological/cultural resource or paleontological resource, shall:
 - a. Immediately cease all further excavation, disturbance, and work on the project site;
 - b. Cause staking to be placed completely around the area of discovery by visible stakes not more than ten feet apart forming a circle having a radius of not less than one hundred feet from the point of discovery; provided, that such staking need not take place on adjoining property unless the owner of the adjoining property authorizes such staking;

- c. Notify the Santa Cruz County sheriff-coroner and the city of Santa Cruz planning director of the discovery unless no human remains have been discovered, in which case the property owner shall notify only the planning director;
 - d. Grant permission to all duly authorized representatives of the sheriff-coroner and the planning director to enter onto the property and to take all actions consistent with this section.
- 34. Grading shall be done during periods of dry weather and protective measures shall be incorporated during grading to prevent siltation from any grading project halted due to rain.
 - 35. Prior to site grading or any disturbance all trees and/or tree stands indicated for preservation or approved plans shall be protected through fencing or other approved barricade. Such fencing shall protect vegetation during construction and shall be installed to the satisfaction of the Director of Planning and Community Development.
 - 36. The project shall implement all recommendations of the arborist report by Kurt Fouts dated April 13, 2021.
 - 37. All new trees shall be a minimum 15-gallon size.
 - 38. The project shall implement all recommendations of the two noise assessment studies: 1)The Cruz Hotel, Santa Cruz, CA prepared by Salter Inc. dated March 2022; and 2) Construction Noise Control & Operational Assessment prepared by SM&W dated March 13, 2024.
 - 39. All diesel-fueled off-road construction equipment greater than 75 horsepower shall be zero-emissions or equipped with California Air Resources Board (CARB) Tier 4 Final or Interim compliant engines. Alternatively, CARB Tier 2 or 3 compliant engines may be used if CARB Level 3 Verified Diesel Emissions Control Strategy (VDECS) filters are added to each piece of off-road diesel-fueled equipment.

PRIOR TO BUILDING PERMIT FINAL/OCCUPANCY:

- 40. The development of the site shall be in substantial accordance with the approved plans submitted and on file in the Department of Planning and Community Development of the City of Santa Cruz. All aspects of construction must be completed prior to occupancy. Major modifications to plans or exceptions to completion may be granted only by the City authority which approved the project.
- 41. All landscaping shall be installed prior to final utility release or issuance of occupancy permits, and shall be subject to a minimum 1 year establish period with warranty.
- 42. All new mechanical equipment and appurtenances, including gas and water meters, electrical boxes, roof vents, air conditioners, antennas, etc. visible from the public way and from adjacent properties, shall be screened with material compatible with the materials of the building and shall be subject to the approval of the Zoning Administrator.

43. Prior to final occupancy, the applicant shall file a trespass letter with the Santa Cruz Police Department (SCPD) in accordance with Santa Cruz Municipal Code section 9.60.012 providing SCPD the authority to remove trespassers on the premises when closed to the public.
44. Prior to final occupancy, the applicant, or its assignee, shall enter into Revocable License Agreement(s) for operation and maintenance of the extension area(s), including but not limited to the outdoor dining or other uses by the property owner(s) or tenant(s) on public property. This requirement shall apply regardless of any easement rights that may be granted. The Owner may use credits, if established by the aforementioned Maintenance Agreement, toward any applicable Extension Area fees required by the City for such Extension Areas.
45. Perpetual Maintenance. Prior to Issuance of a Certificate of Occupancy for the Project, Owner shall execute an Agreement with the City by which the Owner shall provide, at Owner's sole cost, the ongoing maintenance, integrated pest control, and security of all exterior areas of the project, including, without exception, all public and extension areas, such as landscape, furnishings, lighting, and improvements along the Riverwalk as well as the Maple Paseo. This Agreement may establish maintenance credits for the Owner toward any applicable Extension Area Fees based upon Owner's annually documented cost of maintenance and security for the public areas. Owner shall be responsible for the periodic rehabilitation or replacement of certain furnishings, improvements, and landscape matter identified within the Maintenance Agreement.

OPERATIONAL CONDITIONS:

46. The project plans shall specify exterior lighting that is downcast and avoids up-lighting and spotlighting. During operation of the project, non-emergency lighting shall be turned off (such as by automatic shutoff), or shielded, at night to minimize light from buildings that is visible to birds, especially during bird migration season (February-May and August-November).
47. Prior to issuance of a certificate of occupancy for the Project, including any Temporary Certificates of Occupancy, Owner shall execute an Agreement with the City to memorialize Owner's obligation to provide hotel guests with a voluntary option to provide a financial contribution to the City for (1) affordable housing creation and preservation, (2) addressing and reducing conditions of homelessness in the City, and (3) projects or purposes that benefit the Santa Cruz Riverwalk and related environmental conservation, activation, and restoration efforts, such as programs or initiatives by the City, Coastal Watershed Council or similar community organizations. Owner shall allow hotel guests to direct the payment of any fee to one or more of the designated purposes. All payments provided by hotel guests in connection with the voluntary fee program will be remitted to the City in the same manner as transient occupancy taxes.
48. Prior to commercial/business use of a building or site, owners or tenants shall obtain a Zoning Clearance/Occupancy Permit from the City Planning Department and a Business License from the City Finance Department.

49. The use shall operate in conformance with Chapter 9.36 of the Municipal Code (Noise).
50. The applicant shall enter into a Revocable Expansion Area Agreement with the City that will outline the allowable uses, and hours of operation. Any entertainment must adhere to the requirements of Condition #64 and must be conducted according to City rules and in a manner that does not create a public or private nuisance. Any Public/Major Special Events on the premises shall be conducted in accordance with Chapter 10.64 of the Municipal Code, with requisite permit applications being filed in accordance with the timelines outlined therein. Subsequent to occupancy of the premises, all landscaping shall be permanently maintained. The City reserves the right to reserve outdoor public property for events, provided such events do not prohibit existing or planned activities otherwise authorized in the Revocable Expansion Area Agreement.
51. Street front entries shall remain unlocked and unblocked and shall remain in use during store hours.
52. Store displays shall be configured in such a way as to allow pedestrians to see into the store from the sidewalk. Goods, posters, photos or other visual images shall be placed a sufficient distance from the store windows to enable pedestrians to see clearly into the store.
53. Turn non-emergency exterior lighting off (such as by automatic shutoff), or shield it, at night to minimize light from buildings that is visible to birds, especially during bird migration season (February-May and August-November).
54. Any signage for commercial spaces shall obtain a Sign Permit and any required building permit prior to installation of such signage.
55. All outdoor furniture (e.g., tables, chairs, retailing stands) shall be durable, well maintained, and of a high quality, suitable for outdoor use; such furniture shall be light, not heavy or massive in nature, to ensure that it does not visually dominate the street.
56. The design materials and colors used for outdoor chairs, tables, display stands, lighting, and other fixtures (including umbrellas and awnings) shall be generally consistent with both the architectural style and colors used on the building façade.
57. The Riverwalk extension area shall be managed and maintained in a manner to keep it clean, safe, nuisance free, and consistent with other laws and regulations.
58. Outdoor moveable furniture shall be removed at the close of business hours.
59. Stairwell entrances shall be secured and shall be accessible to police and other emergency responders.
60. Alcohol present at location must be served in accordance to the existing Alcohol Beverage Control license conditions.

61. Intoxicated people will not be served and/or consume alcohol on the premises. Persons under the age of twenty-one (21) will not be served and/or consume alcohol.
62. Persons serving alcohol shall attend a Responsible Beverage Service type class with the Santa Cruz Police Department (or other approved agency).
63. An operational and recorded video surveillance system is to be in place on the premises. The system shall provide video surveillance coverage of all common areas where alcoholic beverages are served and consumed, and shall also provide video surveillance coverage of the exterior of the premises, including the entire parking lot and interior parking garage, all building and garage vehicle and pedestrian entry/exit areas, all common stairwells (including emergency stairwells), all elevators, lobby areas (including elevator lobbies), all common residential floor hallways (all floors), any exterior courtyards, any entertainment areas, and any common pool or recreational areas. The system must maintain at least twenty eight (28) days of recorded video storage which must be made available to law enforcement when requested.
64. Live entertainment is permitted with the hotel and on the riverwalk, subject to the approval and issuance of a revocable Entertainment Permit from the Police Department and subject to the following conditions:
 - a) Within the restaurant (interior and exterior) and outdoors within the Riverwalk extension area, live entertainment shall be incidental only and shall only occur between the hours of 8:00 a.m. and 10:00 p.m.
 - b) For indoor events, such as weddings or conferences, live entertainment shall be permitted pursuant to the conditions of an Entertainment Permit and shall comply with the City's noise ordinance.
 - c) Live entertainment, including DJ's, is not permitted at rooftop deck and pool area without a modification of this permit.
 - d) Hours of events may be further limited at any time at the discretion of the Police Department in order to fulfill nuisance avoidance or other objectives.
 - e) Entertainment Permits shall be conditioned to ensure that any uses operate in a manner that does not create a public or private nuisance related to noise or other issues.
 - f) The number of events is not limited by this permit and shall be specified as part of an Entertainment Permit.
 - g) Entertainment Permit conditions can be modified by the Police Department, and any Entertainment Permit is revocable if non-compliance occurs.
65. Exterior lighting is to be in place on the premises. The exterior of the premises, including the parking lot, interior garage areas, and vehicle and pedestrian entry/exit areas, should have sufficient lighting for security purposes.
66. Borders shall be in place separating any outdoor seating area and any public space to provide separation between any alcohol service area and any public area. The borders shall not be topped with a flat surface to avoid alcoholic beverage placement.

67. A sign shall be posted in a conspicuous space at the entrance/exit points of any outdoor patio area(s) onto any public area(s), which shall state, NO ALCOHOLIC BEVERAGES BEYOND THIS POINT. Said sign shall measure no less than seven inches by eleven inches (7 x 11), and contain lettering no less than one (1) inch height.
68. A general property map indicating room/area (residential, banquet, recreational, etc.) locations shall be posted in a visible location at the main access point to the property, and a general floor map shall be posted in a visible location at the main access points to each floor.
69. All common areas (e.g., trash enclosure, storage, laundry, maintenance, community, lobby, bike room, etc.) shall be secured and only open to guests/employees via a locking mechanism.
70. The hotel shall have a public telephone listing.
71. The hotel shall provide evidence of the adoption and implementation of responsible beverage service (RBS) policies and practices, including but not limited to participation in a formal RBS training program. For the purposes of this subsection, “formal RBS training program” shall mean any program from a list of vendors or programs approved by the Santa Cruz police department.
72. Employees shall be at least twenty-one years of age to sell and serve alcohol.
73. The applicant must bear the cost of modifications or cease operations if, subsequent to the approval of a administrative use permit, it is determined pursuant to Section 24.12.1110 that the establishment constitutes a public nuisance.
74. Replacement plant material shall be, to the extent feasible, consistent with the Project’s approved plant palette, or shall endeavor to be low allergen, drought tolerant, and native.
75. The Project owner shall endeavor to employ sustainable practices of integrated pest management and non-toxic pest control for management of pests and vectors that may occur on or about the project from time to time.

VOLUNTARY COMMUNITY BENEFIT CONDITIONS BY THE APPLICANT:

The following conditions proposed by the applicants are voluntary and are directly linked to the Coastal Permit. Given that these are voluntary, the applicant has conditioned these contributions will be null and void upon an appeal of the project to the Coastal Commission and a finding of substantial issue as part of the Coastal Permit appeal process.

76. As an additional condition of approval for the Coastal Permit only, as voluntarily agreed to by the applicant, the project shall make the following payments prior to the certificate of occupancy being issued, unless otherwise specified:

- a. Prior to final occupancy, the applicant shall provide a one-time financial contribution to the Santa Cruz Hostel Society in the amount of \$50,000.
 - b. Prior to final occupancy the applicant shall provide the Boys and Girls Clubs of Santa Cruz County with a one-time contribution in the amount of \$50,000 to assist with revitalization of its indoor swimming pool at the Downtown Santa Cruz club house.
 - c. Prior to final occupancy the applicant shall provide the City of Santa Cruz with a one-time contribution in the amount of \$50,000 to the City's "Santa Cruzer" downtown and beach shuttle program.
77. Tower viewers for visitors shall be provided on site to view the river habitat.
78. The hotel shall provide bike rentals that are free of charge to the public for the first 90 minutes.
79. The hotel shall provide free public Wifi access at the Paseo and Riverwalk within the vicinity of the hotel.
80. Final building floorplans shall indicate that no fewer than three family suites ~~with bunk beds~~ are included to accommodate families of four or five without the need to book multiple rooms. Said family suites shall be maintained throughout the duration of the project.
81. The hotel owner shall provide no fewer than three community days per year for local non-profit organizations to have access to the hotel's rooftop facilities or conference facilities for community uses, such as fundraisers or events, at cost (e.g., Boys and Girls Club of Santa Cruz County, Nueva Vista Community Resources, and similar organizations). The Hotel Owner shall work with the Economic Development and Housing Department to establish rules, guidelines, and processes for reservation of community days.
82. Amenities such as the restrooms, Riverwalk and Paseo improvements, bar and restaurant services will remain publicly accessible during operating hours, subject to rules and regulations approved by the City in writing.
83. **Lower-Cost Overnight Accommodations.** Prior to issuance of the first building permit, to help ensure that overnight accommodations are available at a range of price points in the Coastal Zone, the applicant shall provide onsite accommodations and pay an in-lieu fee as set forth below.
- A. Concurrent with a building permit application, Applicant shall submit, for the Planning Director's review and written approval, two full-size sets of revised project plans for the proposed development. The final plans shall include no less than six family suites, approximately 470 sf in size, that can accommodate families of four or more (which may or may not include bunk beds, pullout sofas, and other amenities designed to increase occupancy for families of four), and which also include kitchenettes so that families can prepare meals.
 - B. At the time of building permit issuance, the Applicant shall pay an in-lieu fee for low-cost visitor accommodations according to the following formula. The in-lieu fee shall be

determined by calculating the product of 25% of the total number of rooms in the project at the time of building permit issuance (not including suites provided pursuant to the preceding paragraph) and a fee of \$144,750 per room, which fee shall be subject to any increase due to inflation based on the Turner Building Cost Index from the date of final approval up until the date of payment. That amount shall then be adjusted to reflect a credit for the following: (1) the amount of the in-lieu public benefit fee required by Condition 30 for housing that would be payable prior to occupancy (i.e., \$5.00 per additional square foot of floor area above the base height limit, plus the equivalent BMR in-lieu fee for four low-income units, with the understanding that the election to either provide units or pay the additional fee would not occur until prior to occupancy), and (2) the \$50,000 contribution to the Santa Cruz Hostel Society and \$50,000 contribution to the Boys and Girls Clubs of Santa Cruz County subject to review and approval by the Planning Director. Concurrent with submitting a building permit application, the Applicant shall provide the Planning Director with all information requested by the Planning Director for purposes of calculating the amount of the in-lieu fee and associated credits, which such determination shall be made at the discretion of the Planning Director.

i. The City of Santa Cruz shall deposit the in-lieu fee into one or more interest bearing trust account(s) that are actively managed by the City. The purpose of the account shall be to establish, promote or improve lower-cost overnight visitor accommodations, such as lower-cost hotel and motel rooms, hostel beds, tent campsites, cabins or campground units, at appropriate locations within the City of Santa Cruz or greater Santa Cruz County. The expenditure of any funds by the City of Santa Cruz to (1) the Santa Cruz Hostel Society or (2) to the County of Santa Cruz for purposes of providing overnight accommodations at Greyhound Rock County Park is permitted without further approval by the Executive Director of the California Coastal Commission.

ii. If the City of Santa Cruz intends to utilize the funds for anything other than the pre-approved purposes outlined above, the City of Santa Cruz shall provide notice to the Executive Director of the California Coastal Commission of the intended recipient(s) and obtain the Executive Director's written approval of the recipient(s) prior to the expenditure of any funds.

iii. Prior to the City's approval of any expenditure, the entity accepting the funds shall enter into a memorandum of understanding with the City which must include the following:

(1) a description of how the funds will be used to establish, promote or improve lower-cost accommodations (generally defined as accommodations that are made available at a daily rate that is 75% or less relative to the average statewide average rate for overnight accommodations);

(2) a requirement that the entity accepting the funds must maintain operations of the accommodations at a lower-cost rate;

(3) an agreement that the entity accepting the funds will obtain all necessary regulatory permits and approvals, including but not limited to, a coastal permit for development of the lower-cost accommodations, if necessary.

iv. If any portion of the funds remain in the City's interest-bearing account seven years after the funds have been deposited, then the City shall donate the remaining amount to one or more of the State Park units or non-profit entities providing lower-cost visitor-serving amenities in a Santa Cruz County, Monterey County, or San Mateo County jurisdiction within the coastal zone or other organization acceptable to the Executive Director. The Executive Director may extend the seven-year deadline to expend the funds for good cause if the City makes a request in writing prior to expiration of the deadline.