



**FINAL ADOPTED MINUTES
CAPITOLA PLANNING COMMISSION MEETING
SPECIAL MEETING MONDAY, MAY 18, 2015
6 P.M. – CAPITOLA CITY COUNCIL CHAMBERS**

Chairperson Smith called the Special Meeting of the Capitola Planning Commission to order at 6 p.m.

1. ROLL CALL AND PLEDGE OF ALLEGIANCE

Commissioners: Ed Newman, Gayle Ortiz, TJ Welch, and Susan Westman and Chairperson Linda Smith.

2. ORAL COMMUNICATIONS

A. Additions and Deletions to Agenda

Senior Planner Katie Cattan noted corrections to minutes. On page three, issue 12A option 2 is identified as the direction, but should be option 3 for larger commercial developments and direction of thresholds. Also, on page 45 in the issues and options matrix, she corrected notes to reflect that issue one has not been heard and issue number 2 received direction of support for option 2 the during joint meeting.

B. Public Comments

Helen Bryce spoke to the economic viability of 41st Avenue. She believes it needs upgrade to make it more pleasant and accessible to shoppers. She suggested a skate park would draw additional people. She feels it is a better location than in a residential area because state law requires adult supervision of children under 12, and this location would encourage combining shopping trips during a visit to skate park. It is already a transportation hub for older users of the park.

C. Commission Comments

D. Staff Comments

3. APPROVAL OF MINUTES

A. Approval of draft April 30, 2015, Special Joint Planning Commission and City Council meeting for the zoning code update.

Chairperson Smith noted the minutes should reflect Planner Cattan's corrections.

A motion to approve the April 30, 2015, meeting minutes as amended was made by Commissioner Welch and seconded by Commissioner Westman.

The motion carried by the following vote: Aye: Commissioners Newman, Ortiz, Welch and Westman and Chairperson Smith. No: None. Abstain: None.

4. CONSENT CALENDAR – No items

5. PUBLIC HEARINGS

A. Zoning Code Update - Review of Issues and Options Report. Issues: 3, 4, 5 & 16

Senior Planner Cattan, Community Development Director Rich Grunow and consultant Ben Noble facilitated the discussion providing direction on several issues within the zoning code.

Issue 3 Accommodating High-Quality Development on 41st Avenue

Planner Cattan noted the General Plan calls for pedestrian-friendly, high-quality development that keeps the corridor active and inviting. Four options were presented: Maintain existing regulations and design guidelines; Increase parking flexibility with shared parking, districts, and/or mixed use; and create incentives for desired improvements such as streetscapes, public gathering spaces, and entertainment.

At the April joint meeting the City Council and Planning Commission already supported option five to streamline the permitting process by creating a new permit class and removing the design permit requirement when there are no exterior changes.

Doug Kaplan, Lomax Property Group, spoke in support of streamlining, saying the City Council should trust its city manager and his choice of staff. As much as possible, he recommended allowing decisions at staff level to speed the process, while reserving the opportunity to appeal and bring items before the commission as needed.

Karen Ow, King's Plaza, spoke in support of options 2 and 5. Based on the family's 50 years of ownership and management, she feels those approaches will allow the property to be more effective and competitive.

Commissioner Westman expressed concerns about the wording in option 3 referring to planned development, which is not a process she believes has been successful. Her other concern is shared parking, which can work well with office and residential but not with commercial and residential because of time conflicts and overlap. She also noted that 41st Avenue properties benefited when parking requirements were reduced previously.

Commissioner Newman noted the General Plan process consensus was that 41st Avenue is "overparked" with too many spaces and he supports change to allow modern uses. Any guidelines should be part of the code rather than a separate document. He would like specific incentives before he could consider that option.

Several commissioners reiterated previous support for streamlining the application process.

Commissioner Ortiz supports mixed use but worries about a tipping point toward medical uses. She does believe that a large, non-retail business in the same zoning could create customers for shops and restaurants. She does not feel the existing design guidelines are still appropriate, a position shared by her fellow commissioners. They agreed new guidelines should continue to emphasize landscaping.

Commissioners voiced general support for allowing mixed use.

There was some support for incentives but uncertainty of what those may be. There was more interest in greater flexibility of uses.

The Planning Commission recommended the following:

Issue 3: Maintaining High-Quality Development along 41st Avenue

Direction: Support of Options 2 and 5

Option 2: Increase parking flexibility.

- *Allow greater commercial parking flexibility through shared parking studies for multi-tenant commercial properties (no residential)*

Option 5: Streamline permitting process.

- *Allowing commercial uses to occupy existing commercial spaces up to XXX square-feet without a CUP (limit to be established)*
- *Only requiring a design permit for commercial uses which involve significant exterior modifications (to be defined)*
- *Create a new administrative permits and minor use permits*

Repealing the existing guidelines until such time that they can be comprehensively updated.

Incorporating applicable design criteria from the 41st Ave Design Guidelines into the Zoning Code.

Issue 4 Protecting Retail Vitality on 41st Avenue

Planner Cattan noted that the code currently discourages medical uses and that the new General Plan is very pro-retail for the corridor. It calls to redefine the area between Capitola Road and Highway 1 as regional commercial zoning. The four options presented for discussion were to maintain existing regulation; add new findings for professional and medical uses; encourage medical and professional in specific areas; and create new limits for total tenancy. The commission may also want to discuss if banks fall into the professional category.

Resident Ron Graves noted that many professional and offices uses are coming in to existing retail centers tenant by tenant and changing the mix.

Doug Kaplan said that addressing this issue is challenging. He warned against trying to predict the future, noting it can be dangerous to enshrine a vision and shut out a future opportunity. He encouraged maximum flexibility. He does not advocate for incentives, saying good ideas don't need them. He suggested less specificity about what the city wants, but instead identify what it doesn't want.

Commissioner Newman noted that in the recent past Mr. Kaplan's Aptos center changed from medical to retail, but in Capitola often medical is going into former retail. Commissioner Newman does believe that staff from those offices support nearby commerce. His preference is shifting to allow organic growth and change.

Commissioner Ortiz worries about market swing away from retail and maintaining sufficient income for the City because property taxes are not sufficient.

Commissioner Westman does not think requiring a finding to allow medical uses is harmful, but other commissioners balked at determining future economic impact.

Commissioner Welch supported many of Mr. Kaplan's suggestions, including flexibility, no incentives, and a list of uses the City does not want. Other commissioners also were receptive to public comment

asking that the code focus on prohibited uses rather than attempting to list approved types of businesses.

The commission reached consensus to allow medical and professional uses by-right in the new CC district from Capitola Road to the train tracks/city limits, on upper floors and in CC Bay Avenue. However, it did not agree on an approach for the regional commercial area, splitting on whether to require a CUP, what size may trigger that requirement and how the commission could make findings for future economic impact.

The Planning Commission recommended the following:

Issue 4: Retail vitality on 41st Avenue

Direction: Partial support of Options 2 and support of Option 3.

Option 2: Add new findings for professional and medical office use.

- *Only partial support*
- *New findings for professional and medical office use must be objective and measurable; not nebulous.*

Option 3: Encourage professional and medical office uses in certain locations.

- *Planning Commission supported increase flexibility in office space in general. Directed staff to principally permit office space up to a newly established limit south of Capitola Road and require conditional use permit for new retail conversions to office north of Capitola Road.*
- *Support Office on 2nd and 3rd story as principally permitted without size limitations in all commercial areas.*

Issue 5: Parking: Required Number of Spaces, Village Hotel Parking, Parking Efficiency, and Garages

Issue 5A: Number of Required Parking Spaces

Staff noted the General Plan strives for a balance between adequate off-street parking and other community goals. It supports efficient use, shared parking, valet services, and lifts. In comparison to similar jurisdictions, Capitola has high residential requirements. Options for discussion were maintain existing requirements; modify requirements based on land use; create location-based standards; and allow the Planning Commission to reduce requirements under certain circumstances.

The Traffic and Parking Commission favored location-based parking standards, and maintaining or increasing requirements in the Village.

Karen Ow supported flexibility such as shared parking, noting her properties' experience with mixed uses with different peak times. King's Plaza is currently "underparked" by code but parking is readily available.

Commissioners identified their goal as providing adequate parking for normal needs. They acknowledged different concerns between 41st commercial areas and the Village.

Commissioner Ortiz noted that perceived impacts are especially high in residential areas without sidewalks.

Commissioners said they have not heard requests to reduce residential requirements, except perhaps in multi-unit projects. They generally agreed with the Traffic and Parking recommendations. They support efficiencies such as lifts, which should be enclosed, and shared parking.

Commissioners noted that the new lower parking lot has relieved Village weekend beach visitor parking overflow into adjacent residential areas, but not that by Village employees. Development in the Village is tied to parking requirements based on the Local Coastal Program. There was dispute over whether the Coastal Commission or the City established the number of required parking spaces. Director Grunow said recent talks with the Coastal Commission indicated there may be some flexibility going forward. Currently the only allowance for in-lieu parking in the Village is for a hotel.

Ron Graves noted that previous in-lieu money purchased Pacific Cove and several of the options are already in practice. Lot sizes and road widths differ between neighborhoods, but he believes that current residential requirements are too stringent. Hotels will demand a large number of spaces.

Sue Gray addressed on-site parking for a new village hotel. She noted in Cannery Row valet parking works very well.

The Planning Commission recommended the following:

Issue 5a: Number of required parking spaces.

Direction: Support of Options 3 and Option 4.

Option 3: Create location-based parking standards.

- *The updated Zoning Code will establish location based parking requirements for the different commercial districts within the City, including neighborhood commercial, community commercial, central village, and industrial.*
- *The central village parking standards will not change.*
- *Single-family residential parking standards will not change.*

Option 4: Allow for reductions with Planning Commission Approval.

- *The updated Zoning Code will allow for reductions in the number of required parking spaces for multi-tenant commercial developments supported by a parking study. Exclude mixed-use projects that contain residential.*
- *All reductions would be approved by Planning Commission after making special findings.*
- *Finding that reduction does not result in spillover parking impacts on neighborhoods.*

Issue 5B: Future Village hotel:

Staff noted the property owner has indicated it is expecting to place 65-70 parking spots on-site. Options presented were to maintain existing standards; create specific standards for this project; require a parking study; and establish requirements based on a performance study.

The Parking and Traffic Commission preferred option 3, a specific study.

Commissioner Westman asked if this parking would apply to any hotel in the Village. Commissioner Newman advocated for language creating a special case for the former theater site, such as hotels over 40 units in the Village.

Resident Rene Levy asked the commission to mitigate the parking impact on nearby residential. He said Fanmar is constantly used for parking. He asked that conditions prohibit employee parking in neighborhoods.

Jesse Nickell, of property owner Barry Swenson Builder, said the developer is waiting for the update process and Coastal Commission and the project application will come in after the LCP is approved. He anticipated a proposal of about 70 rooms and parking that will include a lift.

Resident Steve Ross said his experience in the labor-intensive skilled nursing field has made him aware of the need to plan for employees. He is very concerned that requirements of one space per room are not adequate.

Commissioners did not feel comfortable setting parking standards without an application and therefore leaned toward a specific parking study.

The Planning Commission recommended the following:

Issue 5b: Future Village Hotel parking

Direction: Support of Option 3.

Option 3: Base standard on a parking and traffic study prepared for the hotels development project application.

- *The number of parking spaces required for the theater hotel site will be determined by a parking and traffic study prepared specifically for the hotel development project application.*
- *The site is unique and therefore flexibility is necessary to create a parking demand management plan that works specific to theater site.*

Aside: Planning Commission request for City Council to reconsider employee parking program in the City to decrease impact on residents.

Issue 5c: Parking Efficiency

The Planning Commission recommended the following:

*Issue 5c: Parking Efficiency**Direction: Support of Options 2A and 2B.**Option 2a: Add new shared parking provisions.*

- *The updated Zoning Code will allow multiple land uses on a single parcel or development site to use shared parking facilities when operations for the land uses are not normally conducted during the same hours, or when hours of peak use differ.*
- *Excludes residential*

Option 2b: Add new parking lift provisions.

- *The updated Zoning Code will allow for elevator-like mechanical system to stack parking spaces in a vertical configuration.*
- *Lift must be enclosed/not visible from public view.*

Issue 5d: Garages & carports:

Staff noted carports currently count as covered parking, but do not count toward the FAR as do garages. The Traffic and Parking Commission split with some members favoring garages only and others supporting design standards.

Commissioners Westman and Ortiz favored design standards and either language conditioning no storage or vehicles only. Commissioner Welch expressed concern about enforcement, and staff noted that the code does not allow required parking to be displaced.

Commissioner Smith favored limiting carports to existing structures and requiring an exception with a finding. Commissioner Newman noted a carport can't be converted to living space. There was support for eliminating the difference between a carport and garage in FAR calculations.

The Planning Commission recommended the following:

*Issue 5d: Garages & Carports**Direction: Support of Option 2.**Option 2: Add design standards for carports.*

- *Continue to require at least one covered parking space for homes 1,500 square feet or more. Covered parking may be provided in a garage or carport.*
- *Design standards for carports will be added.*
- *Carport should be the exception with findings to support the exception.*
- *Include Carport in FAR calculation.*

Issue 16: Height.

There was not sufficient time for the commission to discuss this topic, but it invited public comment.

Jesse Nickell spoke to the height of a Village hotel, and said the guidance from the General Plan has been it should not exceed the bluff height. The developer's intent is to have a conforming application.

6. DIRECTOR'S REPORT - None

7. COMMISSION COMMUNICATIONS - None

8. ADJOURNMENT

Chairperson Smith adjourned the meeting at 9:03 p.m. to a special meeting of the Planning Commission to be held on Thursday, May 21, 2015, at 6 p.m. in the City Hall Council Chambers, 420 Capitola Avenue, Capitola, California.

Approved by the Planning Commission on June 22, 2015.

Linda Fridy, Minutes Clerk