

TO: JAMES L. APP, CITY MANAGER

FROM: ROBERT A. LATA, COMMUNITY DEVELOPMENT DIRECTOR

SUBJECT: REZONE 03-003 AND REQUEST TO CONSTRUCT FOUR STORY BUILDING (SOUTH VALLEY DEVELOPERS)

DATE: JUNE 17, 2003

Needs: For the City Council to consider the following requests by Scott Schilling of South Valley Developers, Inc. in relation to the Palazzo Hotel project:

- To establish Resort/Lodging Overlay over the site (the base zone for the site would remain Office Professional);
- Review the request to construct a four-story building.
- Adopt the related Negative Declaration

Facts:

1. The Palazzo Project site is located at 102 South Vine Street, which is the southern half of the site located south of 1st Street, west of the southbound on-ramp to Highway 101, and east of South Vine Street. (see attached location map).
2. Both the General Plan land use and the Zoning designations for the site are Office Professional (OP).
3. On January 7, 2003, the City Council adopted Ordinance No. 846 N.S., which allows property owners to apply for a zone change to establish Resort/Lodging Overlay on a site by site basis. Providing a Resort/Lodging zoning overlay on the subject site would assist in achieving the City's adopted Economic Development Strategy of developing Paso Robles into an "End Destination" tourist attraction.
4. South Valley Developers, Inc. submitted Rezone 03-003 to establish Resort/Lodging Overlay over the site in conjunction with the development plan (PD 02-016) for the Palazzo Project, which consists of the construction of a new 86,337 square foot, four-story, 130-room hotel.
5. The Planning Commission at their meeting on May 27, 2003, approved PD 02-016, recommended that the City Council approve Rezone 03-003, and also recommended that the City Council allow the hotel to be four-stories in height.
6. Pursuant to the Statutes and Guidelines of the California Environmental Quality Act (CEQA) and the City's Procedures for Implementing CEQA, an Initial Study was prepared and circulated for public review and comment. Based on the information and analysis contained in the Initial Study, a determination has

been made that the Palazzo Project qualifies for issuance of a Mitigated Negative Declaration.

7. The entitlements for the Palazzo Project (PD 02-016) approved by the Planning Commission on May 27, 2003 do not become effective until the City Council has approved Rezone 03-003 and the four-story height.

Analysis
and

Conclusion: The General Plan and Zoning designations for the site are Office Professional (OP). In order for the site to gain entitlement for a hotel use, Resort/Lodging Overlay would need to be applied over the site. Rezone 03-003, would implement the overlay zoning if approved by the City Council.

The Planning Commission recommended that the City Council allow the construction of a four story building based on the following information:

- The site is significantly lower than South Vine Street (approximately 20-feet lower) therefore, resulting in two and a half to three stories above the elevation of South Vine Street;
- A shade study was performed and determined that the effects of the shadows created by the height of the building would stay on site and not significantly effect neighboring residential;
- Photo simulations were completed that simulate the building located on the site and represent various views of the project from different off-site locations, including views from neighbors to the west. After reviewing the photo simulations, the Planning Commission concluded that the views of the project would be acceptable based on the quality of the proposed architecture and colors/materials of the building, and that the project would be a good statement at the entrance to the City.

The Palazzo Project would implement the City's goals as expressed in its General Plan and its Economic Strategy to develop Paso Robles into an "end-destination" tourist attraction.

Policy

Reference: General Plan, Zoning Ordinance, Economic Strategy Report.

Fiscal

Impact: The Applicant is required to pay all standard City impact fees as a result of the long-term collection of transient occupancy taxes, the Palazzo Project would have a positive fiscal impact on the City's resources.

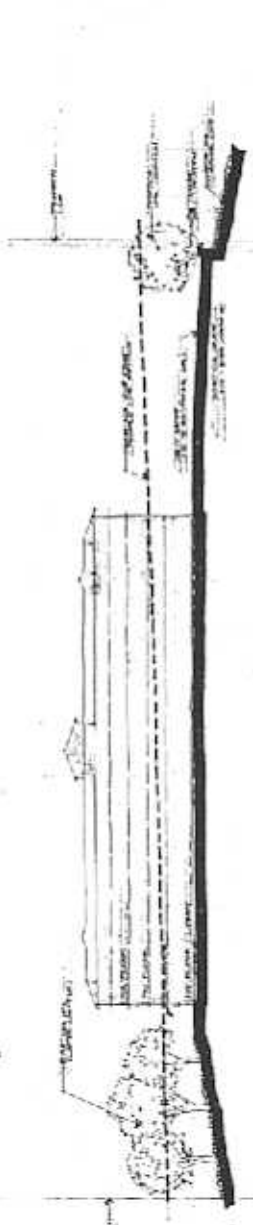
Options: After consideration of all public testimony, that the City Council adopt one of the following options:

- a. **(1)** Adopt Resolution No. 03-xx adopting a Negative Declaration for Rezone 03-003 and four-story Height applications; and
 - (2)** Adopt Resolution No. 03-xx allowing the Palazzo building to be constructed four stories in height based on the topography difference between the site and South Vine Street and the overall size of the site;
 - (3)** Introduce Ordinance No. xxx N.S. approving Rezone 03-003 establishing Resort/Lodging Overlay zoning over the existing Office Professional zoned site, in relation to the Palazzo Hotel project, and set July 1, 2003, as the date for adoption of said Ordinance.
- b. Amend, modify or reject the foregoing option.

Attachments:

1. Location Map
2. Letter from Applicant dated March 21, 2003, requesting ability to construct four story building.
3. Resolution to Approve a Mitigated Negative Declaration
4. Resolution to Approve Four Story Height
5. Ordinance adopting Rezone 03-003
6. Newspaper and Mail Notice Affidavits

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Cross-Sectional Elevation "A-A"



Cross-Sectional Elevation "B-B"

Preliminary Site Cross-Sectional Elevations

EXHIBIT A
 Preliminary Site Cross Sectional Elevations
 PD 02-016 and Rezone 03-003
 (South Valley Developers, Inc.)

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ALLOWING PALAZZO HOTEL TO BE CONSTRUCTED FOUR STORIES HIGH
(SOUTH VALLEY DEVELOPERS) APN: 009-821-006

WHEREAS, South Valley Developers, Inc., are requesting the ability to construct a four-story building; and

WHEREAS, Planned Development 02-016 was approved by the Planning Commission on May 27, 2003, to construct a 86,337 square foot, four story hotel with ancillary parking lot and landscaping pending the City Council approve Rezone 03-003 and the four story height; and

WHEREAS, the Palazzo site is located on the southern portion of the property bounded by 1st Street on the north, South Vine Street on the west, the southbound on-ramp to Highway 101 on the east and an existing single-family residence on the south; and

WHEREAS, the subject site is approximately 20-feet lower than the Vine Street elevation, therefore, only two to three stories would extend above the Vine Street elevation, see cross sections on attached Exhibit A; and

WHEREAS, the General Plan land use designation of the Palazzo Project site is Office Professional (OP); and

WHEREAS, at its June 17, 2003 meeting, the City Council held a noticed public hearing on the Palazzo Project, to accept public testimony on the proposed four story building height and related applications; and

WHEREAS, pursuant to the Statutes and Guidelines of the California Environmental Quality Act (CEQA), and the City's Procedures for Implementing CEQA, an Initial Study was prepared and circulated for public review and comment; and

WHEREAS, based on the information and analysis contained in the Initial Study, a determination has been made that the proposed four story height qualifies for adoption of a Mitigated Negative Declaration; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of El Paso de Robles does hereby approve the applicant to construct the hotel building up to four stories in height in conformance with the exhibits adopted with PD 02-016.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of June 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
ADOPTING A NEGATIVE DECLARATION FOR THE PALAZZO PROJECT,
ADDRESSING REZONE 03-003 AND A FOUR-STORY BUILDING HEIGHT

WHEREAS, the Palazzo project (Planned Development 02-016) consists of the development by South Valley Developers, Inc. to construct a 86,337 square foot, four story hotel with ancillary parking lot and landscaping; and

WHEREAS, PD 02-016 was approved by the Planning Commission on May 27, 2003, pending approval of Rezone 03-003 by the City Council, and

WHEREAS, the Palazzo site is located on the southern portion of the property bounded by 1st Street on the north, South Vine Street on the west, the southbound on-ramp to Highway 101 on the east and an existing single family residence on the south; and

WHEREAS, the General Plan land use designation of the Palazzo Project site is Office Professional (OP); and

WHEREAS, South Valley Developers Inc. have applied for Rezone 03-003, to rezone the subject site to apply R/L Overlay (Resort/Lodging) which is necessary to in order to allow a hotel use on the OP zoned property; and

WHEREAS, applying R/L Overlay to establish the ability to allow a hotel on the subject site would be consistent with the City's adopted Economic Strategy where a goal is to develop Paso Robles into an "end destination" tourist attraction; and

WHEREAS, the developers have also requested that the City Council allow the hotel to be constructed four stories tall, and

WHEREAS, pursuant to the Statutes and Guidelines of the California Environmental Quality Act (CEQA), and the City's Procedures for Implementing CEQA, an Initial Study was prepared and circulated for public review and comment; and

WHEREAS, at its June 17, 2003 meeting, the City Council held a noticed public hearing on the Palazzo Project rezone and height determination, to accept public testimony on the proposal (including all of the applications filed) and the environmental determination therefore; and

WHEREAS, public notice of intent to adopt a Mitigated Negative Declaration was given as required by Section 21092 of the Public Resources Code; and

WHEREAS, based on the information and analysis contained in the Initial Study (on file in the Community Development Department) and the attachments thereto, a determination has been made that the proposed Palazzo Project qualifies for adoption of a Mitigated Negative Declaration.

NOW, THEREFORE, the City Council of the City of El Paso de Robles, using its independent judgment and analysis, does hereby:

1. Find and determine that the proposed rezone for the Palazzo Project will not have a significant impact on the environment. This finding and determination was made based upon the substantial evidence

presented at the public hearing, including the whole record before the Planning Commission (including the Initial Study, the Staff Report and attachments thereto, and any public comments or testimony received thereon).

2. Find and determine that the construction of the building up to four stories in height will not have a significant impact on the environment based on the site topography and size.
3. Adopt a Mitigated Negative Declaration for the proposed Rezone and four-story building.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 17th day of June 2003 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

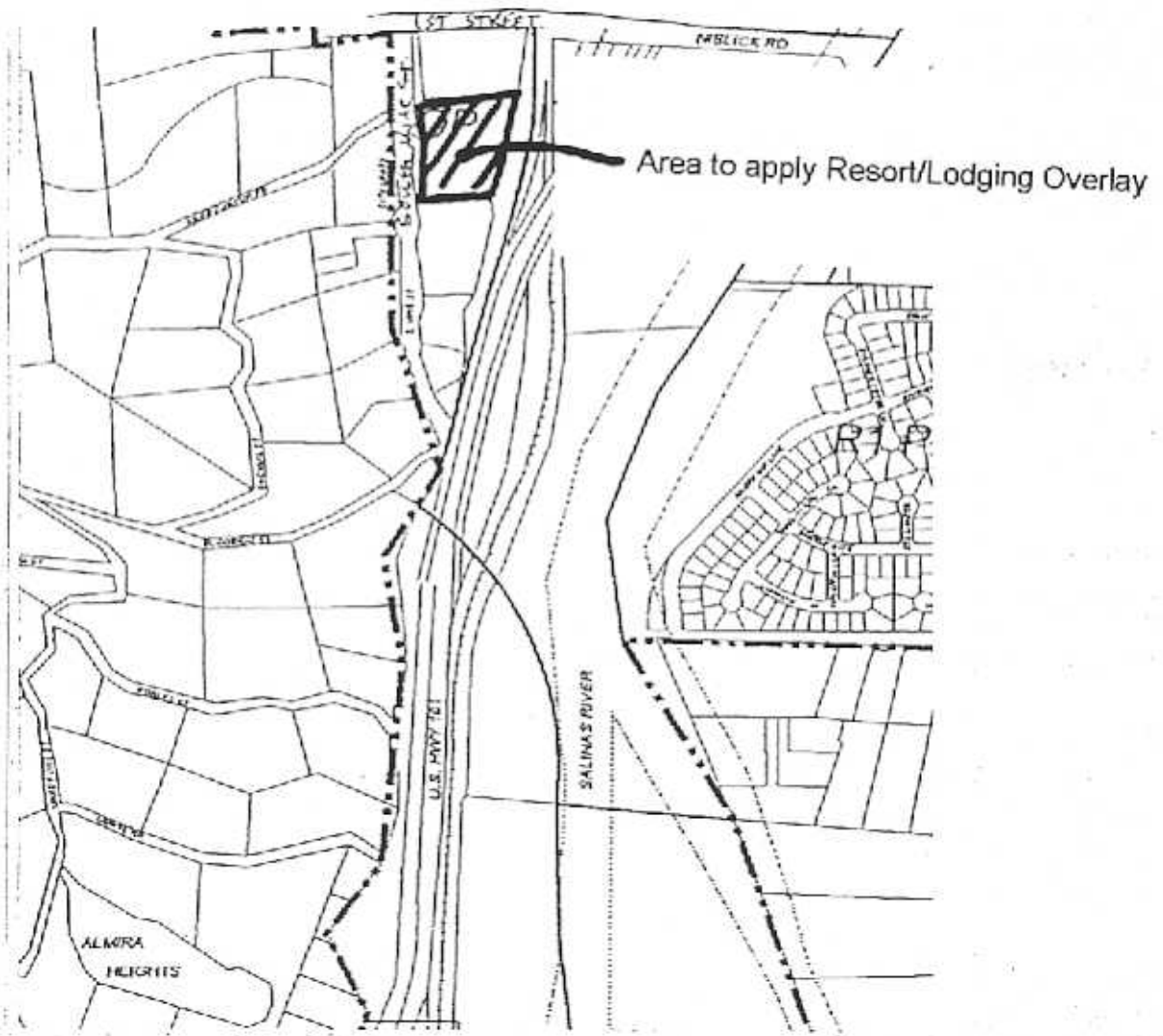


EXHIBIT A
REZONE 03-003
(South Valley Developers, Inc.)

ORDINANCE NO. XXX N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES
AMENDING THE ZONING MAP ESTABLISHED BY REFERENCE IN
SECTION 21.12.020 OF THE ZONING CODE (TITLE 21) ZONE CHANGE 03-003
PALAZZO PROJECT - 102 SOUTH VINE STREET (SOUTH VALLEY DEVELOPERS, INC.)

WHEREAS, Planned Development 02-016 has been filed by South Valley Developers to construct a 86,337 square foot, four story hotel with ancillary parking lot and landscaping; and

WHEREAS, the Palazzo site is located on the southern portion of the property bounded by 1st Street on the north, South Vine Street on the west, the southbound on-ramp to Highway 101 on the east and an existing single family residence on the south; and

WHEREAS, the General Plan land use designation of the Palazzo Project site is Office Professional (OP); and

WHEREAS, in conjunction with PD 02-016, South Valley Developers Inc. have applied for Rezone 03-003, to rezone the subject site to apply R/L Overlay (Resort/Lodging) which is necessary to in order to allow a hotel use on the OP zoned property; and

WHEREAS, applying R/L Overlay to establish the ability to allow a hotel on the subject site would be consistent with the City's adopted Economic Strategy where a goal is to develop Paso Robles into an "end destination" tourist attraction; and

WHEREAS, at its May 27, 2003 meeting, the Planning Commission took the following actions:

- A. Considered the facts and analysis, as presented in the staff report and the attachments thereto.
- B. Conducted a public hearing to obtain public testimony on the proposed Palazzo Project and the environmental determination therefor.
- C. Based on the information contained in the Initial Study prepared for the Palazzo Project, a determination has been made that there is no substantial evidence that the Project would have significant adverse effect on the environment and thus a Mitigated Negative Declaration can be adopted by the City Council.
- D. Recommended that the City Council approve Rezone 03-003.

WHEREAS, at its June 17, 2003 meeting, the City Council took the following actions:

- A. Considered the facts and analysis, as presented in the staff report and the attachments thereto.
- B. Considered the recommendation of the Planning Commission.
- C. Conducted a public hearing to obtain public testimony on the proposed project and environmental determination therefor.
- D. Based on the information contained in the Initial Study prepared for the Palazzo Project, a determination was made, based on the independent review and judgment of the City Council, that there was no substantial evidence that the Project would have significant adverse effect on the environment and thus a

Mitigated Negative Declaration was adopted by separate Resolution.
NOW, THEREFORE, BE IT KNOWN that the City Council of the City of El Paso de Robles, based upon the substantial evidence presented at the above-referenced public hearing, including oral and written staff reports, does hereby make the following findings that:

1. The above stated facts of this Ordinance are true and correct.
2. The Rezone is consistent with the City's General Plan and its Economic Strategy.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 21.12.020 of the Municipal Code (Zoning Map) is hereby amended as shown on the attached Exhibit A.

SECTION 2. Publication. The City Clerk shall cause this Ordinance to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Section 36933 of the Government Code.

SECTION 3. Severability. If any section, subsection, sentence, clause, or phrase of the Ordinance is, for any reason, found to be invalid or unconstitutional, such finding shall not affect the remaining portions of this Ordinance.

The City Council hereby declares that it would have passed this Ordinance by section, subsection, sentence, clause, or phrase irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared unconstitutional.

SECTION 4. Inconsistency. To the extent that the terms or provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinance(s), motion, resolution, rule, or regulation governing the same subject matter thereof and such inconsistent and conflicting provisions of prior ordinances, motions, resolutions, rules, and regulations are hereby repealed.

SECTION 5. Effective Date. This Ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the 31st day after its passage.

Introduced at a regular meeting of the City Council held on June 17, 2003, and passed and adopted by the City Council of the City of El Paso de Robles on the 1st day of July 2003 by the following roll call vote, to wit:

AYES:
NOES:
ABSTAIN:
ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

**ALL ATTACHMENTS TO THIS STAFF REPORT MAY NOT BE AVAILABLE
IN DIGITAL FORMAT FOR VIEWING ON-LINE.**

A hard-copy of the complete agenda packet, along with all staff reports, exhibits and attachments, is available for review in the City Clerk's Office.

**Packets are also available for loan from the City Library,
beginning on the Friday before each Council meeting.**