



PLANNING COMMISSION AGENDA REPORT

SUBJECT: Review of a proposed mixed-use project consisting of three buildings including: Building A (8,636-square foot [sf] manufacturing shell with mezzanine); Building B (31,726 sf mixed-use building including 7,200 sf of commercial shell on the ground level with 16 loft-style, two-bedroom residential units above); and Building C (6,850-sf mixed-use building including 3,421-sf of commercial shell on the ground level with two residential units above) with associated parking and site improvements. The project includes a request for a mixed-use parking reduction of six percent, and an Addendum to the previously adopted Mitigated Negative Declaration (ER#0286-2014).

PROJECT ADDRESS: 279 Bridge Street

BY: Shawna Scott, Senior Planner
Phone Number: (805) 781-7176
E-mail: sscott@slocity.org

FILE NUMBERS: ARCH-0255-2019/USE-0526-2019

RECOMMENDATION: Adopt the Draft Resolution (Attachment 1) approving the project based on findings and subject to conditions.

SITE DATA

Applicant	Devin Gallagher
Representative	Aisling Fearon, Ten Over Studio
General Plan	Services & Manufacturing
Zoning	Manufacturing (M)
Site Area	2.73 acres
Environmental Status	Addendum to the previously adopted Mitigated Negative Declaration (ER#0286-2014)



SUMMARY

The 2.73-acre project site is located at the terminus of Bridge Street, within an area that supports a variety of uses including manufacturing, commercial, offices, live/work, multi-family residential, and single-family residential. The site is zoned Manufacturing (M), and surrounding zones include Manufacturing (M) to the north and west, and Residential (R-2) to the south and east. Lands further to the south, including the South Hills, are zoned Conservation/Open Space (C/OS). The site is accessed from Bridge

Street, via an existing bridge that crosses the riparian corridor along the northern boundary of the proposed development area. The site is nearly level, and is within the AO floodzone.¹

Previous Entitlement History

On May 1, 2017, the Architectural Review Commission (ARC) approved a project on this project site that consisted of three commercial/light manufacturing shell buildings including the following: Building A (8,636 square feet including mezzanine level) (*no change proposed from previous entitlement*); Building B (9,957 square feet); and Building C (4,704 square feet including a second floor caretaker's residence with outdoor patio). The project approval included approval of a Master Use List to minimize potential neighborhood incompatibilities, and adoption of a Mitigated Negative Declaration. The previous approval included tree removals and onsite plantings as recommended by the City Arborist, and associated site improvements (Attachment 3, ARC staff reports and resolution). Since that time, the applicant has substantially modified the project and proposed uses for the site, which required design review by the ARC (with a recommendation provided to the Planning Commission) and requires consideration of a Use Permit to establish the proposed mixed-use project and mixed-use parking reduction.

Proposed Project

The proposed mixed-use project consists of three buildings and associated site improvements (refer to Attachment 2, Project Plans) including:

- Building A, an approximately 27-foot tall 8,636-square foot manufacturing shell with mezzanine
- Building B, an approximately 35-foot tall, 31,726-square foot building consisting of three, three story-structures connected by an elevated walkway on the second floor. 7,200 square feet of commercial shell and covered parking on the ground level, with 16 loft-style, two-bedroom residential units above. The project includes roof decks for private outdoor use, and structural projections (up to 45 feet) include stair towers and solar panels.
- Building C, an approximately 30-foot tall, 6,850-square foot mixed-use building including 3,421-sf of commercial shell on the ground level with two residential units above.
- Site improvements include surface parking, short and long-term bicycle parking, landscaping, walkways, bioretention basins, permeable pavement.
- Project includes a request for a six percent mixed parking reduction, resulting in a total of 70 vehicle parking spaces.

1.0 COMMISSION'S PURVIEW

The Planning Commission's role is to review the project for consistency with the General Plan, Zoning Regulations, and applicable City development standards and guidelines. Planning Commission review is required for consideration of a mixed-use project in the Manufacturing (M) zone. As the project requires Planning Commission review, consideration of the proposed six percent mixed-use parking reduction is also within the Planning Commission's purview, in addition to the proposed Addendum to the previously adopted Mitigated Negative Declaration.

¹ AO Floodzone: Potential of flooding up to two feet during a 100-year storm

2.0 PREVIOUS REVIEW OF CURRENT PROJECT

The ARC reviewed the proposed project on September 9, 2019 for consistency with the Community Design Guidelines (CDG) and voted 3:1:3 to recommend the approval of the architectural design with the following modifications: 1) revise plans to show additional variability and articulation on Building B and 2) consider additional screening for the rear parking (Attachment 3, ARC staff report). Following the ARC meeting, the applicant submitted revised plans to address the ARC's recommendations for the Planning Commission's consideration (Attachment 2, Project Plans) (refer to Section 3.3 Architectural Review Commission Directional Items).

3.0 PROJECT ANALYSIS

The project must conform to the standards and limitations of the Zoning Regulations, and be consistent with applicable Community Design Guidelines (CDG). The Planning Commission's role is to review the project for consistency with applicable standards, as discussed in this analysis.

3.1 Consistency with the General Plan

The General Plan Land Use Element's (LUE) described uses for the Services and Manufacturing land use designation include residential uses as part of mixed-use projects.² The LUE states that the City shall: promote infill development that contributes positively to existing neighborhoods and surrounding areas (Policy 2.2.7 Neighborhood Enhancement) and shall encourage mixed-use projects where appropriate and compatible with existing and planned development; and shall support the location of mixed use projects near major activity nodes and transportation corridors where appropriate (Policy 2.3.6 Housing and Business). There is an existing transit stop approximately 0.4 mile from the project site on South Higuera Street, and the site is proximate to Exposition and Meadow Parks, the South Hills Natural Area, and bicycle routes on surrounding roads. The mixed-use project includes uses that provide a transition between the residential neighborhood and uses to the west and north, and the industrial and commercial uses to the south and east.

As noted above, the project site is within a floodplain. Consistent with LUE Policies 6.6.6 and 6.7.1 (Creeks, Wetlands, and Flooding Policies, Development Requirements; Creeks and Flooding Programs, Previously Developed Areas), the project design complies with the minimum creek setback standard (20 feet) and minimizes drainage concentrations and impervious coverage by including the use of bioretention basins, permeable paving, and landscaping. A Preliminary Hydrologic and Hydraulic Analysis (KVC, 2014) was prepared for the site, and the consulting engineer (Keith V. Crowe, PE, PLS) prepared the preliminary grading and drainage plan for the project. This document and plans were reviewed by City engineers to determine compliance with the City's Floodplain Management Regulations (which allow for the "dry" floodproofing of commercial buildings) and the Drainage Design Manual. As proposed, the project is consistent with these regulations and standards, and further review of final grading, drainage, and stormwater management plans will be required upon the applicant's submittal of applications for grading and building permits. Compliance with existing regulations and standards would ensure consistency with Safety Element Policy S (Flood Hazard Avoidance and Reduction).

² LUE Table 1. General Plan Land Use Designations and Development Standards within the LUCE Planning Sub-area

The Noise Element of the General Plan sets noise exposure standards for noise-sensitive land uses, such as the residential uses adjacent to the project site.³ Consistent with Noise Element Policy 1.8 (Preferred Noise Mitigation Approaches), the project site plan shows the proposed light manufacturing shell located near the western property boundary and locates outdoor uses and doors facing the interior of the project site. The proposed project is buffered from the Iron Works industrial use by live/work units on the adjacent parcel to the west. Regarding future uses within the identified light manufacturing and commercial shells, the project is subject to the Master Use list approved with the previous entitlement and limitations on use as required by the Zoning Regulations (refer to discussion below). In addition, as proposed, the applicant would be required to comply with the Zoning Regulations, which limits hours of operation for non-residential uses within mixed-use projects (7:00 AM to 8:00 PM).

3.2 Consistency with the Zoning Regulations

The proposed project complies with lot coverage, density, and building height standards identified for the M zone. As the site is located adjacent to an R-2 zone, Zoning Regulations 17.70.050 (Edge Conditions) applies to the project. The proposed project does not include any balconies or terraces facing the properties within the R-2 zone, and meets minimum required setbacks based on building height and the proposed rooftop decks (refer to Project Statistics, below).

PROJECT STATISTICS

Site Details	Proposed (Minimum)	Allowed/Required
Setbacks – Side / Edge Condition	12 feet (Building A)	None required (M zone)
	23 feet (Building B)	23 feet (Edge Condition)
	20 feet (Building C)	19 feet (Edge Condition)
Setbacks – Rear	20 feet (Building A)	16 feet (Edge Condition)
	24 feet (Building B)	23 feet (Edge Condition)
Setbacks – Roof-deck	33 feet (Building B)	33 feet (Edge Condition)
Maximum Height of Structures	35 feet	35 feet
Max Building Coverage (footprint)	14%	75%
Required Parking Spaces	70*	70*

** Includes requested 6% mixed-use parking reduction to be considered by Planning Commission*

The project is consistent with Zoning Regulations Section 17.70.130 (Mixed-Use Development) site layout and design standards because: the location of residential units would minimize noise exposure from existing industrial uses in the general area; proposed shell Building A would be located in the southwest corner of the project site; all non-residential uses within the site are restricted by limitations on use for mixed-use projects;⁴ and the project incorporates pedestrian walkways and connections within

³ Maximum exposure to stationary noise sources: 50 dB hourly (7AM-10PM), 45 dB hourly (10PM-7AM)

⁴ ZR Section 17.70.130.D.4 The following uses and activities shall not be allowed within any mixed-use development: a. Major vehicle/equipment repair (e.g., body or mechanical work, including boats and recreational vehicles, vehicle detailing and painting, upholstery, or any similar use); b. Storage of flammable liquids or hazardous materials beyond that normally associated with a residential use; c. Manufacturing or industrial activities, including but not limited to welding, machining, or any open flame work; or d. Any other activity or use, as determined by the review authority, to be incompatible with residential activities and/or to have the possibility of affecting the health or safety of mixed-use development residents due

the site. As noted above, the project complies with required Edge Condition standards, which would reduce potential impacts on proximate residential uses. Solid fencing and a landscape buffer are proposed along the western, southern, and eastern perimeter to address potential light/glare impacts and visibility, and the building designs are compatible with the surrounding neighborhood, which demonstrates a primarily commercial/industrial character along Bridge Street.

3.3 Architectural Review Commission Directional Items

The ARC voted 3:1:3 (three Commissioners absent) to recommend approval of the architectural design with the following two modifications to be addressed in the final design of the project:

ARC Directional Item #1: *Revise plans to show additional variability and articulation on Building B.*

Response: The proposed design for Building B reviewed by the ARC consisted of two structures approximately 8,326 (B.1) and 23,400 (B.2) square feet each, connected by a second floor walkway (refer to Figure 1, below). The applicant's revised plans show three structures, approximately 8,326 (B.1), 11,700 (B.2), and 11,700 (B.3) square feet each, connected by a second floor walkway (refer to Figure 2, below). The revised design breaks up the long wall face of previous structure B.2 by dividing this structure into two (B.2 and B.3) with a ten-foot separation, and incorporates a landscaped pedestrian walkway between structures B.2 and B.3. The revised design provides additional articulation including an arch feature over the ten-foot wide walkway between B.2 and B.3, and approximately four-foot setbacks in the north-facing rooftop planters.



Figure 1. Building B North Elevation Reviewed by the ARC



Figure 2. Revised Building B North Elevation

to the potential for the use to create dust, glare, heat, noise, noxious gases, odor, smoke, traffic, vibration, or other impacts, or would be hazardous because of materials, processes, products, or wastes.

ARC Directional Item #2: Consider additional screening for the rear parking area.

Response: The applicant proposes to address this item by providing additional landscaping along the southern property boundary. The landscape plans reviewed by the ARC showed eight trees between the rear Building B access and parking area. The applicant's proposed revised landscape plan shows an additional seven trees, including three California sycamores between the surface parking area and the adjacent lot to the south. The revised plan continues to show six-foot solid wood fencing along the western, southern, and eastern perimeter.

4.0 ENVIRONMENTAL REVIEW

An Initial Study/Mitigated Negative Declaration (IS/MND) was adopted on June 1, 2015 for the proposed project, which included construction of a bridge over the creek and three manufacturing shell buildings. Since that time, construction of the bridge has been completed. The adopted IS/MND identifies that the project would potentially affect the following environmental factors unless mitigated: aesthetics, air quality, biological resources, geology/soils, and noise.

The currently proposed project is located within the same footprint as the project assessed in the adopted IS/MND; however changes including proposed uses and the larger size of Building B (and to a lesser extent, the larger size of Building C) necessitated preparation of an Addendum to the adopted IS/MND to address the project changes, per State CEQA Guidelines Section 15164 (refer to Attachment 4). Section 15164 subsection (b) states that an addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred. This section of the State CEQA Guidelines is designed to provide clear authority for an addendum as a way of making minor changes or additions to an IS/MND. A summary of the potential impacts and adopted mitigation measures required to ensure potential impacts are mitigated to a level of insignificance is provided below:

Aesthetics: Similar to the originally approved project, exterior lighting has the potential to result in glare as seen from parking lot and building light poles affecting adjacent residences. Required mitigation includes replacement of freestanding light posts with bollard lighting that is outside required setbacks (Mitigation Measures AES 1 and AES 2).

Air Quality and Greenhouse Gas Emissions: Similar to the originally approved project, construction activities have the potential to create dust and emissions that exceed air quality standards and affect adjacent sensitive residential uses. Required mitigation includes compliance with San Luis Obispo Air Pollution Control District (APCD) air emission reduction measures, Air Resources Board regulations related to naturally occurring and material containing asbestos, and APCD permit requirements (Mitigation Measures AQ 1, AQ 2, AQ 3, AQ 4, and AQ 5). Operation of the project as currently proposed would not exceed APCD thresholds for operational emissions, and future uses are subject to screening-level health risk assessments when determined to be necessary by the APCD, based on the specific use (Mitigation Measure AQ 6). Based on the limitations on use for mixed-use projects, it is unlikely any future uses would require a health risk assessment; however, this measure remains to ensure potential impacts would be less than significant.

Biological Resources: The proposed project would be located within a similar footprint as the originally approved project, and would result in similar impacts including effects due to shallow groundwater conditions, impacts to nesting birds and wildlife, and impacts to other waters. Required mitigation includes: the use of caisson foundation design, to be engineered pursuant to a final geotechnical engineering report, and compliance with Clean Water Act permits (Mitigation Measures BIO 1, BIO 2, BIO 3, BIO 4, and BIO 5). The bridge component analyzed in the adopted MND has been constructed; therefore, mitigation related to the bridge is not applicable to the current project.

Geology/Soils: Similar to the originally-proposed project, shallow groundwater present within the site necessitates a caisson foundation system, and required mitigation includes provision of a geotechnical engineering investigation and comprehensive design level report (Mitigation Measure GEO 1).

Noise: The originally-approved project consisted of manufacturing uses and a caretaker's unit; the adopted MND identifies a potential noise impact resulting from the use of loading docks (affecting adjacent residential uses). Required mitigation includes orienting loading facilities away from adjacent residential development (Mitigation Measure NOI 1). The current project is restricted by the limitations on use and noise standards specific to mixed-use projects, which would further reduce potential operational noise impacts.

The addendum (Attachment 4) adds additional information to the environmental record for the project, including changes to the project description and associated analysis. As documented and supported by the analysis in the addendum: 1) these minor technical changes do not materially change the findings and conclusions of the adopted IS/MND; 2) no substantial changes are proposed or would occur that would require major revisions to the adopted IS/MND; 3) no new significant environmental effects are identified and there would not be a substantial increase in the severity of previously identified significant effects; 4) the project would not result in any significant effects that would be substantially more severe than what was identified in the adopted IS/MND; and 5) the applicant will comply with all identified adopted mitigation measures, which are incorporated into the Draft Resolution (Attachment 1).

5.0 OTHER DEPARTMENT COMMENTS

All City Departments have reviewed the project and have provided comments that are incorporated into the staff report and recommended resolution as conditions of approval.

6.0 ALTERNATIVES

- 6.1 Continue the item. An action to continue the item should include a detailed list of additional information or analysis required.
- 6.2 Deny the project. An action denying the application should include findings that cite the basis for denial and should reference inconsistency with the General Plan, Community Design Guidelines, Zoning Regulations or other policy documents.

7.0 ATTACHMENTS

1. Draft Resolution
2. Project Plans
3. Current ARC report and attached previous ARC report and resolution
4. Addendum to Adopted Mitigated Negative Declaration



Minutes

Planning Commission

Regular Meeting Wednesday, September 25, 2019

CALL TO ORDER

A Regular Meeting of the San Luis Obispo Planning Commission was called to order on Wednesday, September 25, 2019 at 6:00 p.m. in the Council Chamber, located at 990 Palm Street, San Luis Obispo, California, by Chair Wulkan

ROLL CALL

Present: Commissioners Robert Jorgensen, Steve Kahn, John McKenzie, Nicholas Quincey, Charles Stevenson, Vice-Chair Hemalata Dandekar and Chair Mike Wulkan

Absent: None

Staff: Community Development Director Michael Codron, Principal Planner Tyler Corey, Assistant City Attorney Charles Bell, and Deputy City Clerk Kevin Christian.

Pledge of Allegiance

Chair Wulkan led the Pledge of Allegiance.

PRESENTATION

City Manager Derek Johnson and City Attorney Christine Dietrick provided a presentation concerning the purview and expectations of the Planning Commission. Council Member Christianson provided the Council perspective concerning the relationship of the various advisory bodies and Council's expectations for the Commission.

1. CONSENT AGENDA – CONSIDERATION OF MINUTES

ACTION: MOTION BY COMMISSIONER JORGENSEN, SECOND BY COMMISSIONER MCKENZIE, CARRIED 7-0-0 to approve the minutes of July 24, 2019.

PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

None

--End of public comment--

PUBLIC HEARINGS

2. **Review of a proposed mixed-use project consisting of three buildings including: Building A (8,636-square foot [sf] manufacturing shell with mezzanine); Building B (31,726 sf mixed-use building including 7,200 sf of commercial shell on the ground level with 16 loft-style, two-bedroom residential units above); and Building C (6,850-sf mixed-use building including 3,421-sf of commercial shell on the ground level with two residential units above) with associated parking and site improvements The project includes a request for a mixed-use parking reduction of six percent, and an Addendum to the previously adopted Mitigated Negative Declaration (ER#0286-2014); Project Address: 279 Bridge. Case #: ARCH-0255-2019; Zone: M; Bridge Squared, LLC, applicant. Project Address: 279 Bridge. Case #: ARCH-0255-2019; Zone: M; Bridge Squared, LLC, applicant.**

Senior Planner Shawna Scott presented the staff report and responded to Commission inquiries.

Applicant representative, Aisling Fearon with Ten Over Studio, summarized responses made resultant to the Architectural Review Commission concerns as now presented in the project, reviewed project fit to the neighborhood and City Goals, and responded to commissioner questions.

Chair Wulkan opened the public hearing.

Public Comments

Marti Kessler
Garret McElveny

--End of Public Comment--

Applicant representative, Aisling Fearon, responded to questions raised during public comment as well as further commissioner questions.

ACTION: MOTION BY COMMISSIONER STEVENSON, SECOND BY COMMISSIONER JORGENSEN, CARRIED 6-1-0 (MCKENZIE DISSENTING) to adopt a resolution entitled:

“A RESOLUTION OF THE SAN LUIS OBISPO PLANNING COMMISSION APPROVING A MIXED-USE PROJECT CONSISTING OF THREE BUILDINGS OF 8,636, 31,726, AND 6,850 SQUARE FEET EACH, INCLUDING A SIX PERCENT PARKING REDUCTION, AND ADOPTING AN ADDENDUM TO A MITIGATED NEGATIVE DECLARATION AS REPRESENTED IN THE STAFF REPORT AND ATTACHMENTS DATED SEPTEMBER 25, 2019 (279 BRIDGE STREET, ARCH-0255-2019 AND USE-0526-2019),” and to include the following modifications and/or conditions:

- Allow up to 12-foot lighting in the parking area if shielded from adjacent properties and conforming to the night sky ordinance
- Roof top lighting must conform to the night sky ordinance

- Requirement for mechanical ventilation in residential units
- Mitigation Measure BIO 2
 - o Strike the final sentence of paragraph one
 - o Add a requirement for a weekly biologist inspection during construction and training of construction personnel on best practices concerning nesting birds
- Reference Master Use list as an exhibit to the resolution with zoning code regulations limitations for mixed-use project applied and specifically prohibiting the following uses:
 - o Auto parts sales and installation
 - o Veterinary clinic hospital and boarding

3. Review of the proposed annexation of approximately 39 acres of property along Fiero Lane and Clarion Court; this action includes consideration of an Initial Study/Mitigated Negative Declaration tiered from the Final Program Environmental Impact Report for the Airport Area and Margarita Area Specific Plans and Related Facilities Master Plans (SCH#2000051062); Project Address: 850 Fiero. Case #: ANNX-1166-2015, Zone: Easement; Fiero Lane Water Company, applicant.

Due to a public notification error, this item was continued to the October 9, 2019 Planning Commission meeting.

4. Project Address: 564 Higuera. Case #: ARCH-0150-2019; Zone: C-D; Creekside Lofts, LP, owner/applicant.

This item was continued to a date uncertain to allow the applicant time to respond to Architectural Review Commission direction, and for staff to prepare evaluation of any design modifications.

COMMENT AND DISCUSSION

- 5.** Agenda Forecast – Principal Planner Tyler Corey provided an update of upcoming projects, introduced the idea of holding a Planning Commission retreat, and responded to commissioner questions.

ADJOURNMENT

The meeting was adjourned at 8:25 p.m. The next Regular meeting of the Planning Commission is scheduled for Wednesday, October 9, 2019 at 6:00 p.m., in the Council Chamber, 990 Palm Street, San Luis Obispo, California.

APPROVED BY THE PLANNING COMMISSION: 10/09/2019