

PLANNING COMMISSION AGENDA REPORT

SUBJECT: 166 HIGUERA ST (ARCH-0511-2021) REVIEW OF AN OUTDOOR DINING VENUE CONSISTING OF RETROFITTED SHIPPING CONTAINERS TO SERVE FOOD AND BEVERAGES. THE PROJECT INCLUDES A 60% PARKING REDUCTION TO REDUCE THE REQUIRED PARKING TO 16 SPACES, WHERE 40 PARKING SPACES

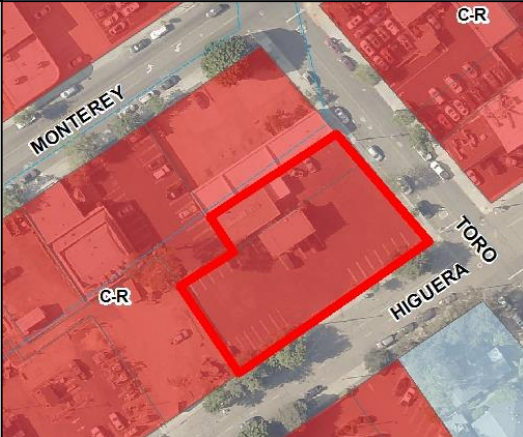
PROJECT ADDRESS: 1166 Higuera Street **BY:** Kyle Bell, Associate Planner
 Phone Number: 805-781-7524
 Email: kbell@slocity.org

FILE NUMBER: ARCH-0511-2021 **FROM:** Tyler Corey, Deputy Director

RECOMMENDATION

Adopt the Draft Resolution approving the project, based on findings and subject to conditions of approval.

SITE DATA

Applicant	Paul Tompkins, NKT Commercial	
Representative	Kyle Murray, RRM Design	
Zoning	C-R (Commercial Retail)	
General Plan	General Retail	
Site Area	21,607 square feet	
Environmental Status	Categorically exempt from environmental review under CEQA Guidelines section 15332 (In-Fill Development Projects).	

SUMMARY

The proposed project includes the redevelopment of an existing commercial property to include twelve (12) repurposed shipping containers consisting of a total of 2,720 square feet to provide for 7 tenant suites, 3 storage rooms, one long term bike storage locker, and one for restrooms. The project includes demolition of the existing two-story structure on the site and repurposing the existing 1,488 square foot single-story structure toward the rear of the lot into a new restaurant suite.

The project consists of a total of 4,208 square feet of commercial space, and 1,637 square feet of outdoor dining. The project is intended to serve as a family and pet friendly outdoor dining experience. Site amenities include landscaped areas, covered outdoor seating, fire pits, heaters, and outdoor recreation activities (Attachment B, Project Plans).

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The project includes a request for a 60% parking reduction to reduce the required parking from 40 spaces to 16 spaces on-site. The 60% parking reduction also accounts for the 20 additional bicycle parking spaces to reduce the required vehicle parking by 4 spaces in accordance with Zoning Regulations Section 17.72.050.C.3.b¹.

1.0 PLANNING COMMISSION'S PURVIEW

The Planning Commission's role is to review the project for consistency with the General Plan, Zoning Regulations, Community Design Guidelines (CDG), and applicable City development standards. Planning Commission (PC) review is required for projects that include parking reductions greater than 20 percent (ARCH-0511-2021).

General Plan: <https://www.slocity.org/government/department-directory/community-development/planning-zoning/general-plan>

Zoning Regulations: <https://sanluisobispo.municipal.codes/Code/17>

Community Design Guidelines: <https://www.slocity.org/home/showdocument?id=2104>



Figure 1: Aerial Rendering from the Toro and Higuera Street intersection.

2.0 PREVIOUS REVIEW

On January 24, 2022, the Architectural Review Commission (ARC) reviewed the project for consistency with the CDG. The ARC recommended that the Planning Commission find the project consistent with the CDG (5-1) ([ARC Report](#) and Draft Meeting Minutes 1.24.22 - Attachment C).

¹ **Zoning Regulations Section 17.72.050.C.3.b. Other Parking Reductions.** One car space for each five bicycle spaces provided in excess of required parking. All bicycle parking that exceeds the required number of spaces shall be apportioned between short-term and long-term bicycle spaces as stipulated by Table 3-6: Required Bicycle Parking.

3.0 PROJECT STATISTICS

Site Details	Proposed	Allowed/Required*
Density	0.00	20.16
Affordable Housing	In-lieu fee	On-site or In-Lieu fee
Setbacks		
Street Yard	3 feet	0 feet
Corner Lot – Street Side	3 feet	0 feet
Side Yard	0 feet	0 feet
Maximum Height of Structures	40 feet	45 feet (max)
Max Lot Coverage	19.5% (total)	100%
Floor Area Ratio	0.20	3.0
Public Art	On-site (separate review)	Provide or Pay In-lieu Fee
Vehicle and Bicycle Parking		
Number of Vehicle Spaces	16	40
EV Spaces Ready	4	4
EV Spaces Capable	10	10
Bicycle Spaces	28	8
Short-term	21	6
Long-term	7	2
Motorcycle Parking	2	2

*2019 Zoning Regulations

4.0 PROJECT ANALYSIS

The proposed improvements must conform to the standards and limitations of the Zoning Regulations and Engineering Standards and be consistent with the applicable CDG. Staff has evaluated the project and identified discussion items for the PC to consider in order to ensure the project is in substantial compliance with the applicable standards, as discussed in this analysis.

4.1 Consistency with the General Plan

The project site is located within the Downtown Core as identified in the General Plan Land Use Element (LUE) Figure 4 and is also located within Special Focus Area 2 (LUE Figure 10) known as the Upper Monterey Area. The Upper Monterey Area is intended to emphasize revitalization and enhancement that promotes restaurant development including outdoor dining opportunities. The LUE Policy 8.2.2 directs the City to implement a master plan and design guide for the Upper Monterey area that will provide guidance on street enhancement, façade improvement programs, and pedestrian enhancement along Monterey Street. However, at this time no master plan has been adopted for the area, and the project site is subject to LUE policies relative to the Downtown Core and the General Retail (GR) land use designation.

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LUE Table 1 states that the GR designation is intended for goods and services adequate to meet most of the needs of the City and nearby county residents. LUE Policy 3.2 identifies that the City shall focus retail with regional draw in locations of the Downtown Core, in the Madonna Road area, or the Los Osos Valley Road area, where the Downtown Core is the primary concentration of specialty stores.

The General Plan Land Use Element (LUE) states that the “*Downtown is the community’s urban center serving as the cultural, social, entertainment, and political center of the City for its residents, as well as home for those who live in its historic neighborhood. The commercial core is a preferred location for retail uses that are suitable for pedestrian access, off-site parking, and compact building spaces. Civic, cultural and commercial portions of Downtown should be a major tourist destination. Downtown’s visitor appeal should be based on natural, historical, and cultural features, retail services, entertainment and numerous and varied visitor accommodations.*”

The LUE encourages Downtown to provide a setting which is festive and comfortable for public gatherings such as public meetings, places for socialization, and similar activities in conjunction with other uses (LUE Policy 4.4). Downtown should provide a healthy mix of street-level diversity that emphasizes retail, stores, specialty shops, and food services (LUE Policy 4.7), with street level activities occupied by stores, restaurants, and other uses benefiting from and contributing to pedestrian traffic (LUE Policy 4.20.1). Open places should be designed where people can rest and enjoy views of the surrounding hills, separated from vehicle traffic (LUE Policy 4.10).

The project is consistent with these LUE Policies because it provides street level retail and restaurant uses with outdoor dining in close proximity to employment centers, Downtown, and public transit. General Plan Policies further support in-fill projects of vacant or underutilized lots, especially those located close to major transit, bike, and pedestrian corridors.

4.2 Consistency with the Zoning Regulations

In accordance with Table 2-1 of the Zoning Regulations, the general retail and restaurant uses envisioned to occupy the retrofitted shipping containers are allowed within the Commercial Retail (C-R) zone. As of yet, there are no tenants that are associated with the spaces; however, parking requirements account for all suites to be occupied by restaurants, inclusive of outdoor dining spaces (3,979 square feet). The Zoning Regulations identify specific development standards and requirements for development within the C-R zone (Chapter 17.30). The project design complies with development standards applicable to the C-R zone (see Section 3.0 Project Statistics), with an exception to the parking requirements as discussed in the analysis below.

Parking: The LUE has identified the subject site as part of the Upper Monterey special planning area (see Section 4.1 Consistency with the General Plan), which states that this area shall provide an “*emphasis be on revitalization and enhancement.*” In particular LUE Policy 8.2.2.A states that “*the City shall investigate adding the Upper Monterey area to the Downtown Parking District, thereby allowing in-lieu payment towards common parking facilities.*” The City’s Public Works Department is in the process of evaluating the parking

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needs for the Upper Monterey special planning area and the possibility of establishing a parking district and parking garage that would serve that area (this is a concept that is also reflected in the updated Downtown Concept Plan). In an effort to be consistent with Policy 8.2.2.A and to not create large surface parking areas in the downtown, the applicant is requesting a 60% parking reduction to reduce the required parking from 40 spaces to 16 spaces on-site.

The project has been envisioned to be occupied by predominantly restaurant uses, and parking requirements have been designed to address the highest parking demand for the project at a rate of 1 space per 100 square feet of restaurant area, resulting in a parking requirement of 40 spaces (Zoning Regulations Section 17.72.030 Table 3-4: Parking Requirements by Use). In accordance with Zoning Regulations Section 17.72.050.C.3.b, one vehicle space may be reduced for each five additional bicycle spaces provided in excess of required bicycle parking. The applicant is proposing 20 additional bicycle parking spaces beyond what is required to reduce the vehicle parking by four spaces (10%). A Parking Demand Study has been provided to evaluate the peak parking demand of all intended uses to account for the remaining 50% parking reduction request (Attachment D). The Parking Demand Study was conducted in accordance with the Institute of Transportation Engineers (ITE) Parking Generation Manual and identified that on-site parking supply may not account for projected parking demand, however, recommendations are presented to address the deficiencies of the parking supply. The Parking Demand Study recommends converting a portion of the street parking in the vicinity from 10-hour spaces to 2-hour spaces to encourage turnover, and to identify nearby off-street parking spaces that could be used by employees to maintain spaces for customers on-site.

The ITE Parking Generation Manual accounts for projects located in mixed-use areas that are within walking distance of office and residential uses and anticipates that the portion of patrons who walk or bike to the site to be substantially higher than the Citywide average due to the proximity to the City’s Downtown Core. The Parking Demand Study adjusted the standard parking demand to account for the modal split (the peak parking demand using mode split rates adjusted to reflect the project’s walkable location, with 50% of customers walking/biking to the site).

Table 2: Peak Parking Demand Evaluation	
	Number of Spaces
City Required Parking:	40
ITE Peak Parking Demand:	27
Modal Split Peak Parking Demand per ITE:	18
Parking Provided:	16
Parking Deficiency:	2

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The project provides 16 parking spaces on site, which is two spaces less than the identified peak parking demand of 18 spaces using a model split rate due to the project's walkable location in close proximity to public transit, employment centers, shopping, restaurants, entertainment, public parking garages and residential uses. In response to concern regarding parking availability, the applicant has provided a draft Trip Management and Reduction Plan (Attachment E), which provides an incentive program to encourage alternative modes of transportation for customers and employees. The plan includes incentives such as information bulletins, Back N' Forth Club, customer discounts, Ride Share and carpool opportunities, and a bike valet.

Staff has evaluated the Parking Demand Study and recommends support of the proposed parking reduction with the inclusion of the Trip Management and Reduction Plan to address the deficiency of the two parking spaces. Staff recommends Condition No. 36 to modify the Draft Trip Management and Reduction Plan to incorporate information about SLO Transit's Free Downtown Access Pass, as the project site is within the boundaries of the program, to further incentivize employees to use public transit and maintain on-site parking for customers.

The Parking Demand study recommended that the street parking along Higuera Street should be converted from 10-hour spaces to 2-hour spaces to encourage turnover. However, the City Council approved transitioning all paid on-street parking to a "Tiered Rate" parking format with the Financial Plan adoption in June of 2021. Parking Services is in the process of implementing elements such as multi-space pay stations and mobile parking apps that provide the necessary functionality. "Tiered Rate" parking provides a base rate that increases the longer an individual vehicle remains at a specific location. This practice encourages parking turnover, which satisfies the Parking Demand Studies recommendation. Parking Services expects to have the area along Higuera Street in proximity of the site transitioned to the new parking format prior to the project's completion date.

4.3 Consistency with the Sign Regulations

The Sign Regulations are intended to protect and enhance the character of the community against visual blight and the proliferation of signs, which can seriously detract from the pleasure of observing the natural scenic beauty of San Luis Obispo. Signs have an important design component and must be architecturally compatible with the character of surrounding development. It is the intent of the Sign Regulations to regulate the time, place and manner under which signs are permitted, and not the content of signage. Content shall not be used as a basis for determining whether or not a proposed sign may be permitted.

The 2019 Sign Regulations Section 15.40.460.A (Sign Standards by District) identifies the sign types and size limitations for signs in the C-R zone. The Sign Regulations only allow for all sign types in the C-R zone, with a cumulative area of 200 square feet (SF). The project provides a total of 12 signs, one wall sign per tenant suite, two multi-tenant signs, a monument sign, and a pylon sign, with a cumulative area of 199 SF. All signs are consistent with the size limitations and dimension requirements of the Sign Regulations.

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Consistent with the requirements of the Sign Regulations for multi-tenant signs, a sign program has been presented as an opportunity to provide the property with adequate signage interior of the project site where the multi-tenant signage provides visibility along both street frontages and reduces clutter of individual signs facing the public right-of-way (Attachment B, Project Plans Sheet A15-A17). The ARC reviewed the sign program at the January 24, 2022 hearing, and did not identify any concerns with the proposal; therefore, staff has incorporated the sign program as part of the draft resolution to this report for the PC's consideration.

5.0 ENVIRONMENTAL REVIEW

The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) because it consists of the development of the project site consistent with policies and standards applicable to development within the commercial zones, on a site less than five acres in size, with no value as habitat for endangered, rare, or threatened species, as described in State CEQA Guidelines Section 15332 (Infill Development). The site is within City limits and is served by City utilities and public services. Based on the project site's existing topography and location, and project size and design, approval of the project will not result in any significant effects related to traffic, noise, air quality, or water quality.

6.0 OTHER DEPARTMENT COMMENTS

The project has been reviewed by various City departments and divisions including Planning, Engineering, Transportation, Parking, Building, City Arborist, Utilities, and Fire. Staff has not identified any unusual site conditions or circumstances that would require special conditions. Other comments have been incorporated into the draft resolution as conditions of approval.

7.0 ALTERNATIVES

1. Continue project. An action to continue the item should include a detailed list of additional information or analysis required to make a decision.
2. Deny the project. An action denying the project 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.

8.0 ATTACHMENTS

- A. Draft Resolution
- B. Project Plans
- C. ARC Draft Meeting Minutes 1.24.22
- D. Parking Demand Study
- E. Draft Trip Reduction Plan