



PLANNING COMMISSION AGENDA REPORT

SUBJECT: REVIEW OF A REQUEST FOR A PLANNING COMMISSION USE PERMIT AND DESIGN REVIEW FOR A PROPOSED 125,500-SQUARE FOOT, THREE-STORY, 204-ROOM, DUAL-BRANDED HOTEL, WITH GUEST AMENITIES AND ON-SITE SURFACE PARKING; PROJECT INCLUDES A REQUEST FOR AN EXCEPTION TO STAN

PROJECT ADDRESS: 950 & 990 Aero Dr. **BY:** Shawna Scott, Senior Planner
Phone Number: (805) 781-7176
Email: sscott@slocity.org

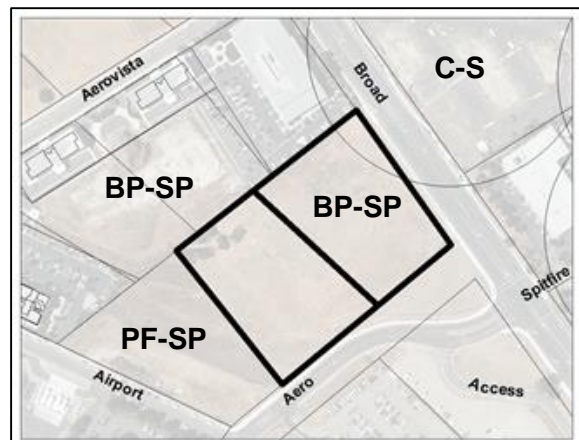
FILE NUMBERS: ARCH-0165-2020, **FROM:** Tyler Corey, Deputy Director
USE-0294-2019, & EID-0650-2020

RECOMMENDATION

Adopt a resolution (Attachment A) adopting the Initial Study/Mitigated Negative Declaration and approving the Planning Commission Use Permit and design of the proposed Airport Hotel Project, subject to findings and conditions of approval.

SITE DATA

Applicant	Sanjay Ganpule, Sunsmi, LLC
Representative	Pamela Jardini
Zoning	BP-SP (Business Park, Airport Area Specific Plan)
General Plan	Business Park
Site Area	5.04 acres
Environmental Status	An Initial Study/Mitigated Negative Declaration is proposed for adoption.



SUMMARY

The applicant, Sanjay Ganpule, Sunsmi, LLC has submitted applications for Major Development Review and a Planning Commission Use Permit to allow the establishment of a dual-brand hotel within the Business Park (BP) zone within the Airport Area Specific Plan area. An Initial Study (IS) has been prepared to evaluate potential environmental impacts in accordance with the California Environmental Quality Act (CEQA) and a Mitigated Negative Declaration (MND) is recommended for adoption.

1.0 COMMISSION'S PURVIEW

Review the project for consistency with the General Plan, Airport Area Specific Plan (AASP), Zoning Regulations, Community Design Guidelines (CDG), and applicable City development standards and guidelines. Planning Commission review is required for projects that include more than 10,000 square feet of nonresidential space (ARCH-0165-2020) and to allow a hotel within the BP zone, as required by the Airport Area Specific Plan (USE-0294-2019). The Planning Commission's purview includes consideration of the associated environmental determination (Attachment D, EID-0650-2020).

[Link to Airport Area Specific Plan](#)

[Link to Community Design Guidelines](#)

[Link to Sign Regulations](#)



Figure 1. Rendering of Project, Elevation facing Broad Street

2.0 PROJECT INFORMATION

2.1 Site Information/Setting

Table 1: Site Information

Zoning	BP-SP (Business Park within the Airport Area Specific Plan Area)
Site Size	5.04 acres
Present Use & Development	Vacant
Access	New access road connecting to Aero Drive
Surrounding Use/Zoning	East: Broad Street, commercial uses (C-S) South: San Luis Obispo Regional Airport (Public Facility, County of San Luis Obispo); (Commercial Retail, County of San Luis Obispo) North: The Rock (SLO Brew), offices (BP-SP) West: Overflow parking (PF-SP); San Luis Obispo Regional Airport (Public Facility, County of San Luis Obispo)

2.2 Project Description

The proposed project consists of a three-story, 204-room, dual-branded hotel, with guest amenities including an outdoor patio and dining area, meeting space, fitness room, breakfast area, bar, and onsite parking. The proposed hotel would be approximately 125,200 square feet with a maximum height of 45 feet for occupied buildings and 52 feet for non-occupied space. The project includes a request for a Planning Commission Use Permit, which is required for a hotel within the BP zone in the Airport Area Specific Plan area. The project includes a request for an exception to standard loading space requirements (one space requested where three spaces is the standard), an exception to an AASP standard to exceed 40% lot frontage side parking to allow for 67% frontage side parking along Broad Street, and exceptions to sign standards to allow for six wall signs (where four is the standard) and placement of wall signs at the third story, where the uppermost point of the second story is the standard height.

In July 2007, a hotel project proposed by a previous applicant was approved on the project site (U-5-07, ARC-5-07); however, the project was never constructed, and the entitlements expired. The initial application submittal for the current project proposed two separate hotels with shared surrounding parking areas. The applicant has since revised the project to avoid and provide a 35-foot setback from a wetland feature located in the southwest corner of the site. The applicant has also identified proposed access from Aero Drive, which would cross an adjacent parcel located between the project site and Aero Drive, and has provided a separate pedestrian site entry that would connect to the existing sidewalk on Aero Drive.¹ Additional non-vehicular access (i.e., pedestrian, bicycle) is provided directly to Broad Street.

¹ In the past, Aero Drive was located along the project's southern boundary and has since been realigned by the County, creating a gap between this project site and Aero Drive.

2.3 Project Statistics

Table 2: Project Statistics

Item	Proposed	Standard
Setbacks – Parking lot along street	10 feet	10 feet
Setbacks – Parking lot between parcels	5 feet	5 feet
Setbacks – Buildings along streets	85 feet (Broad) 165 feet (Aero)	16 feet
Setbacks – Buildings between parcels	65 – 92 feet	0 feet
Maximum Height of Structures	45 feet 52 (non-occupied features)	45 feet 52 (non-occupied features)
Floor Area Ratio (FAR)	0.58	0.6
Max Building Coverage (footprint)	70%	80%
Minimum Landscaped Space (including pedestrian hardscape)	30%	20%
Required Parking Spaces	214	204
Electric Vehicle Parking	20 EV Ready 51 EV Capable	20 EV Ready 51 EV Capable
Bicycle Parking	Total: 22 Long-term: 11 Short-term: 11	Total: 20 Long-term: 10 Short-term: 10
Wall signs	Six wall signs Placement at 3 rd story	Four wall signs Uppermost point of the second story

3.0 PREVIOUS REVIEW

The Architectural Review Commission (ARC) reviewed the proposed project on May 3, 2021, for consistency with the AASP Design Guidelines and Community Design Guidelines. The ARC moved to recommend that the Planning Commission find the project consistent with the AASP Design Guidelines and Community Design Guidelines, and approve the project with the following considerations:

- Consider pedestrian access to the site, especially from the northern corner of the site near the Broad Street sidewalk, and access to SLO Brew/The Rock to the north.
- Consider replacing the sine wave corrugated metal with metal that is similar to the other metal siding on the building, and perhaps a different color (6-0-1) (Attachment C, ARC Staff Report and Meeting Minutes).

The applicant is proposing to remove five trees onsite that are subject to tree removal permitting, including: four Brazilian pepper (*Schinus terebinthefolius*) trees, (1) six inches, (1) eight inches, and (2) ten inches in diameter; and one golden wattle/acacia (*Acacia longifolia*), six inches in diameter (Attachment B, Sheet L1.0, Conceptual Landscape Plan). The Conceptual Landscape Plan includes 93 trees to be planted on site, including the following identified below in Table 3, Proposed Compensatory Planting Plan.

Table 3: Proposed Compensatory Planting Plan

Tree Type and Quantity	Tree Species
Street trees along Broad Street (11)	London plane tree (<i>Platanus acerifolia</i>) Pin oak (<i>Quercus palustris</i>)
Accent trees (11)	Golden medallion (<i>Cassia leptophylla</i>) Western redbud (<i>Cercis occidentalis</i>) Chitalpa (multi-trunk) (<i>Chitalpa tashkentensis</i>) Crape myrtle (<i>Lagerstroemia indica</i> 'Tuscarora')
Canopy shade trees (16)	Bronze loquat (<i>Eriobotrya deflexa</i>) Southern magnolia (<i>Magnolia grandiflora</i> 'Majestic Beauty') Drake evergreen elm (<i>Ulmus parvifolia</i> 'Drake')
Parking lot trees (31)	Strawberry tree (<i>Arbutus unedo</i>) Western redbud (<i>Cercis occidentalis</i>) Crape myrtle (<i>Lagerstroemia indica</i> 'Nachez')
Narrow trees near building (18)	Chinese fringe flower (<i>Chionanthus retusus</i>) Little gem magnolia (<i>Magnolia grandiflora</i> 'Little Gem')
Perimeter trees (17)	'Marina' arbutus (<i>Arbutus</i> 'Marina') Coast live oak (<i>Quercus agrifolia</i>) Pin oak (<i>Quercus palustris</i>)

The Tree Committee will consider this request on July 26, 2021 and will provide a recommendation to the Planning Commission. Following the Tree Committee hearing, staff will provide a memorandum to the Planning Commission, which will also be available to the public, that summarizes the Tree Committee's recommendation.

4.0 PROJECT ANALYSIS

The proposed project must conform to the standards and limitations of the Zoning Regulations and Engineering Standards and be consistent with the applicable standards identified in the AASP, and Community Design Guidelines. Staff has evaluated the project's consistency with relevant requirements and has found the project to be consistent, as discussed in this analysis.

3.1 Consistency with the General Plan

The General Plan Land Use Element (LUE) provides limited policies for the Business Park land use designation other than the intent is to provide for research and development and light manufacturing in a campus setting and should provide high quality design of public and private facilities. Business Park land use designations are typically found within Specific Plans, which offer additional guidance on policy objectives, as described in greater detail below.

3.2 Consistency with the Airport Area Specific Plan

The project site is located on Aero Drive, adjacent to the San Luis Obispo County Regional Airport. AASP Chapter 4.0 (Land Use, Special Areas) notes that land uses in the airport vicinity must be regulated in order to minimize the potential for conflicts between these uses and airport operations. The primary instrument for maintaining compatibility and safety is the Airport Land Use Plan (ALUP) prepared and maintained by the San Luis Obispo County Airport Land Use Commission (ALUC). AASP land uses have been planned with thorough consideration given to the ALUP. Specifically, urban uses are not proposed in areas where incompatible levels of noise can be expected, or where there is an unacceptable risk that an accident could occur. The AASP, which was found to be consistent by the ALUC prior to its adoption, requires approval of a Planning Commission Use Permit in order to allow hotel development in the Business Park zone and land use designation. In July 2007, a hotel project proposed by a previous applicant was approved on the project site (U-5-07, ARC-5-07); however, the project was never constructed, and the entitlements expired.

AASP Section 4.2.1 (Business Park) states that “areas designated Business Park are primarily for research and development, light manufacturing, and business services that are compatible with each other and with airport operations. Activities that are supportive of, or accessory to, the primary activities may be allowed as well.” The proposed dual-brand hotel is consistent with the AASP and BP zone because it would support the airport by providing proximate lodging, parking, and amenities for guests using the airport as a method of travel, in addition to other visitors to San Luis Obispo.

Airport and Transportation Noise

AASP Table 4-3 (Allowed Uses) notes that hotel uses in the BP zone are identified in the ALUP as noise sensitive and specific sound-attenuation requirements may apply. The current ALUP identifies a 45 decibel (dB) threshold for interior noise levels for hotels, which is the same as the City’s Noise Element threshold (45 dB, interior noise). Based on the recent updated ALUP, the project site is located outside of the 60 CNEL² contour line for airport-related noise. As documented in the noise analysis prepared for the project (Attachment D, see attached documents), which considered both airport and roadway noise, existing daytime sound levels within the project site range from 60 to 66 dB. Based

² CNEL = Community Noise Equivalent Level: The noise metric adopted by the State of California for land use planning and describing airport noise impacts. This noise metric compensates for the increase in people’s sensitivity to noise during evening and nighttime hours. Community Noise Equivalent Levels are typically depicted on maps by a set of contours, each of which represents a series of points having the same CNEL value (ALUP 2021).

on the site plan, parking areas along the Broad Street frontage would be located within the 60 to 66 dB contour.

As noted in the noise analysis, mandatory requirements for acoustical control required by the State Green Building Standards Code³ require that projects located within the 65 CNEL noise contour of an airport or roadway incorporate Sound Transmission Class (STC) 50 for walls and STC 40 for windows, which would reduce interior noise below 45 dB, consistent with the AASP, ALUP, and City Noise Element. Furthermore, at the most conservative level, a typical structure covered with siding will have a STC rating of 39 dBA based on current methods. Basic dual-pane vinyl windows will achieve an STC rating of 28 dBA. Averaged out, this results in a combined STC rating of approximately 33 dBA, meaning a typical exterior wall assembly will reduce 33 dB of sound transfer, resulting in an interior noise level less than 45 dB. The noise analysis also noted that outdoor use areas that face noise sources may experience noise exceeding 60 dB; the applicant has addressed this issue by orienting the hotel building such that the outdoor pool area and patio are internal to the site, and noise generated by transportation sources along Broad Street would be attenuated by the building itself below 60 dB. Therefore, based on the orientation of the building and site amenities, and compliance with existing Building and Green Code regulations, the project would be consistent with the AASP, ALUP, and City Noise Element.

AASP Development Standards

As shown in Table 2 above (Project Statistics), the project is consistent with AASP Development Standards (AASP Section 4.4). The proposed project would not exceed the height permitted by the AASP (52 feet). Based on the County of San Luis Obispo's recent adoption of the updated Airport Land Use Plan (ALUP) on May 26, 2021, which included revisions to the ALUP's safety zones, the project site is located within Zone 6, Traffic Pattern Zone⁴, which allows for a maximum density of 300 persons per acre. Applying the current ALUP, the maximum allowed density for the site is 1,512 persons; the project would result in a density of 627 persons, less than and consistent with ALUP standards.

AASP Community Design Standards

The ARC considered AASP Community Design Standards upon their review of the project and did not identify any inconsistencies. As noted above, the ARC provided two considerations to improve pedestrian access to proximate businesses north of the project site, and replacement of one material type on the building. Staff recommends that the Planning Commission support these considerations, which are addressed in proposed conditions of approval #3 and #5.

Lot Frontage Side Parking. AASP standard 5.4.1 states that: "parking lots shall be located at the rear or side of buildings, rather than between the front facade of the building and the street. Side parking shall not exceed 40 percent of the frontage of the lot on the primary street."

³ Title 24, Chapter 6, Article 1 of the California Administrative Code; California Green Building Code (CCR, Title 24, Part 11, Chapter 5)

⁴ The County ALUP Update can be viewed online: <https://www.slocounty.ca.gov/Departments/Planning-Building/Community-Engagement/Active-Planning-Projects/Airport-Land-Use-Plan-Update.aspx>

The applicant is requesting an exception to an Airport Area Specific Plan Standard 5.4.1 to allow for 67% lot frontage side parking along Broad Street where 40% is the standard for the primary street. The project site is a corner lot, and a majority of the parking spaces are proposed along the northern property boundary and internal to the site. Approximately 270, non-continuous linear feet of parking spaces are provided along the east property boundary, facing Broad Street, with a 10-foot-deep landscape buffer between the parking spaces and the sidewalk. The project's primary access would be from Aero Drive.

Staff Analysis. As noted above, the project was revised since the original application submittal to avoid and provide a minimum 35-foot setback from a wetland feature in the southwest corner of the project site. The project also complies with Code requirements for fire truck access surrounding the structure. The orientation of the building provides an entrance facing Broad Street; however, the primary face of the building is angular and generally faces Aero Drive, the access road to the airport. Due to the prior realignment of Aero Drive, a majority of the project site does not directly front Aero Drive. Therefore, the proposed site plan generally meets the intent of the parking lot standard. Based on the environmental constraints of the site, the applicant's desire to meet standard parking requirements, compliance with Code requirements for fire safety and emergency access, the proposed 10-foot landscape buffer and tree plantings along Broad Street that will provide some screening of the parking area, the project's primary access from Aero Drive, and ARC's recommendation of consistency with the AASP including the requested exception, staff recommends the Planning Commission consider and grant the requested exception for 67% lot frontage side parking along Broad Street based on finding 5 identified in the Draft Resolution.

3.3 Requested Zoning Regulations Exception

Loading Space Exception/Waiver

Section 17.72.100 (Onsite Loading Standards) states that every new building 10,000 square feet or more occupied by certain uses, including a hotel, shall provide off-street loading and unloading areas. Based on the size of the project, three spaces would be required. Section 17.72.100.B. allows for a waiver of the loading space requirement provided that "the applicant has satisfactorily demonstrated that, due to the nature of the proposed use, such loading space will not be needed." The project includes a request for an exception to standard loading space requirements (one space requested where three spaces is the standard).

Staff Analysis. The proposed project consists of a dual-branded hotel, with shared lobby, kitchen, laundry, and office areas. Based on the operation of the hotel, which only includes amenities for guests, it is reasonable that no more than one loading space is necessary, and staff recommends the Planning Commission consider and grant the requested exception, based on finding 6 identified in the Draft Resolution.

3.4 Requested Sign Regulations Exception

Quantity and Placement of Wall Signs Exception

The proposed project includes requested exceptions to sign standards to allow for six wall signs (where four is the standard) and placement of wall signs at the third story, where the uppermost point of the second story is the standard height. The applicant's reason for the request is based on the orientation of the building along Broad Street, and to provide for visibility from both travel lanes of Broad Street and Aero Drive, and identification of the primary entrance as seen from the parking area.

Staff Analysis. The ARC considered and recommended approval of the requested exception, based on the orientation of the building relative to Broad Street and Aero Drive. Staff recommends the Planning Commission consider and grant the requested exception, based on findings 7 and 8 identified in the Draft Resolution, as the placement of signage would not create clutter and would improve visual identification of the connected hotels and primary entrance to the shared lobby.

5.0 ENVIRONMENTAL REVIEW

An Initial Study (IS) was prepared in accordance with the California Environmental Quality Act (CEQA) in order to conduct a project-specific analysis, and a Mitigated Negative Declaration (MND) is recommended for adoption (Attachment D). The IS/MND identifies that the project would potentially affect the following environmental factors unless mitigated: air quality, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, transportation, tribal cultural resources, and utilities and service systems. Mitigation measures have been identified to reduce these potential impacts to less than significant.

A 30-day public review period extended from April 22, 2021 through May 24, 2021. Comments were received from the California Department of Fish and Wildlife, Department of Toxic Substances Control (DTSC), San Luis Obispo Council of Governments (SLOCOG), and the Air Pollution Control District (APCD). All comments have been addressed in the revised IS/MND and are summarized in Attachment D for reference. The modifications to the IS/MND do not require recirculation of the document because the amendments constitute minor modifications and clarifications to an adequate MND and do not include significant new information that would result in a new significant environmental impact or a substantial increase in the severity of a significant environmental impact. All new text is indicated by **underlined, bold, and italicized text**. Deleted text is indicated by ~~strike-through~~.

6.0 OTHER DEPARTMENT COMMENTS

The project has been reviewed by various City departments and divisions including Planning, Engineering, Transportation, Building, Utilities, City Attorney, 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

- 7.1** Continue the item. An action to continue the item should include a detailed list of additional information or analysis required.
- 7.2** Deny the project. Deny the project based on findings of inconsistency with the Airport Area Specific Plan and/or other pertinent City standards. This alternative is not recommended, because the project is consistent with the General Plan, AASP, Zoning Regulations, and other policy documents.

ATTACHMENTS

- A. Draft Resolution
- B. Project Plans and Applicant Statements
- C. ARC Staff Report and Minutes (May 3, 2021)
- D. Initial Study/Mitigated Negative Declaration, Response to Comments Received on the Initial Study/Mitigated Negative Declaration, and Technical Reports