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Agenda Date: 3/4/2020

Agenda Placement: 7A

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission

FROM: Brian Bordona for David Morrison - Director
Planning, Building and Environmental Services

REPORT BY: Dana Ayers, Consultant - 925-688-2490

SUBJECT: Oak Knoll Hotel

RECOMMENDATION

OAK KNOLL RESORT, LLC / OAK KNOLL HOTEL / USE PERMIT APPLICATION NO. P14-00215-UP

CEQA Status: Intention to certify a Final Environmental Impact Report (FEIR). According to the FEIR, the proposed project would not have any significant environmental impacts after implementation of mitigation measures related to potential impacts to: a) Aesthetics; b) Biological Resources; c) Cultural and Tribal Cultural Resources; d) Noise; and e) Traffic and Transportation. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

Request: 1) Certification of an FEIR; 2) Adoption of findings pursuant to the California Environmental Quality Act (CEQA) and Napa County Code; and 3) Approval of a use permit that would encompass demolition of existing structures and construction of a 50-room hotel with indoor and outdoor guest amenities, a 100-seat restaurant and an approximately 1,280 square foot art gallery / retail tenant space on a 3.54-acre property located at 5091 Solano Avenue (Assessor's Parcel No. 035-031-009) in the CL (Commercial Limited) zoning district of unincorporated Napa County.

The Planning Commission held a public hearing on this request on January 22, 2020. At that meeting, the Planning Commission accepted public testimony on the certification of the FEIR and the requested use permit, closed the public hearing, and adopted a motion of intent to certify the FEIR, adopt CEQA findings and approve the use permit. Staff was directed to return to the regular meeting on March 4, 2020, with final CEQA findings and use permit conditions of approval. The proceedings of that January 22 meeting can be viewed online at: <http://services.countyofnapa.org/AgendaNet/GranicusMeetingDocuments.aspx?id=5980>

At this public hearing, the Commission will be asked to consider: 1) the requisite findings with respect to certification of the FEIR and the requested use permit; and 2) approval of the requested use permit subject to conditions and mitigations identified in the FEIR. Public comment at this hearing shall be limited to whether or not the findings and conditions of approval accurately reflect the Planning Commission's action on January 22, 2020.

Staff Recommendation: Open the public hearing, accept testimony on the recommended findings and conditions of approval based on the Commission's January 22 tentative action, close the public hearing, adopt the findings certifying the FEIR and the findings and recommended conditions for approval of the project.

Staff Contact: Dana Ayers, Consultant Planner, phone number (925) 688-2490 or email address dayers@trccompanies.com; Charlene Gallina, Supervising Planner, phone (707) 299-1355 or email Charlene.gallina@countyofnapa.org

Applicant/Representative: Brian Russell, phone (707) 294-2775 or email address napalandlaw@gmail.com

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission:

1. Open the public hearing and accept testimony on the recommended CEQA findings, recommended use permit findings, and recommended conditions of approval for the project;
2. Close the public hearing;
3. Adopt the recommended CEQA findings and mitigation monitoring reporting program, and certify the FEIR; and
4. Adopt the recommended use permit findings and conditions of approval for the project.

Discussion:

The Napa County Planning Division received a request for a use permit to demolish existing structures and construct and operate a 50-room hotel with indoor and outdoor guest amenities, a 100-seat restaurant and an approximately 1,280 square foot art gallery/retail tenant space at 5091 Solano Avenue. The subject property is developed with approximately 35,080 square feet of currently vacant buildings that previously housed a restaurant, retail stores and a hot air balloon launching business. The applicant proposes to demolish the existing buildings and paved surfaces on the property and to redevelop the site with the proposed new commercial development, including a 109-stall vehicle parking lot, perimeter landscaping, and new utilities infrastructure.

The use permit request is subject to review under the California Environmental Quality Act (CEQA, Public Resources Code section 21000 et seq.), which requires permitting agencies to identify potential impacts to the environment that would occur as a result of implementation of a proposed project, prior to making a decision to approve or to deny a permit request. Staff of the Planning Division and the consulting firm of Ascent Environmental, Inc., completed a Draft Environmental Impact Report (DEIR) and an FEIR that includes responses to public comments on and revisions to the DEIR, in order to meet the requirements of CEQA. The FEIR encompasses the DEIR by reference and is available online at <https://www.countyofnapa.org/806/Oak-Knoll-Hotel> . Prior to approving the project request, the Planning Commission must certify the adequacy of the analysis in the FEIR.

On January 22, 2020, the Commission held a public hearing on the FEIR and use permit request. After accepting testimony, which included proposals by the applicant to modify elements of the project scope pertaining to outdoor event operations to address neighbor concerns, the Commission made tentative actions to certify the FEIR and approve the project subject to conditions. The Commission directed staff to return at a future meeting with findings in support of that tentative action. In its motion, the Commission also requested that the applicant evaluate

additional alternatives for addressing affordable housing. The full proceedings of that January 22 meeting can be viewed online at:

<http://services.countyofnapa.org/AgendaNet/GranicusMeetingDocuments.aspx?id=5980> .

Staff is requesting the Commission to make final decisions on the proposal, adopting the recommended findings for certification of the FEIR and use permit, and adopting the recommended conditions of approval for the project as modified.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

ENVIRONMENTAL IMPACT

CEQA Status: Intention to certify a Final Environmental Impact Report (FEIR). According to the FEIR, the proposed project would not have any significant environmental impacts after implementation of mitigation measures related to potential impacts to: a) Aesthetics; b) Biological Resources; c) Cultural and Tribal Cultural Resources; d) Noise; and e) Traffic and Transportation. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

BACKGROUND AND DISCUSSION

The January 22, 2020, staff report (Attachment D) includes summary descriptions of the proposed project design and elements of operation, surrounding land uses, history of development on the property and the potential environmental impacts of the project as discussed in the FEIR. Public comments that had been received by staff as of that meeting date were attached to the staff report or provided at the public hearing. No public comments have been submitted since the date of that public hearing.

At the hearing, the applicant agreed to additional project revisions to address concerns of neighbors. These revisions included modification of the project scope to preclude outdoor events with amplified sound, and closure of the rooftop lounge daily by 9:00 p.m., limitations on bike rentals and takeout food service, and installation of signage and bollards to discourage patron parking on Oak Knoll Avenue/Wurz Lane (see COA 1.2, 4.12 (c), 4.12 (d), 4.12(i), 4.12(m), 4.12(n)). These project revisions are incorporated into the recommended conditions of approval (Attachment B) and are identified in underlined text in the attachment.

In addition, Planning Commissioners requested that the applicant evaluate additional opportunities to address the need for affordable housing to correlate with the jobs that the Project would create; include flashing beacons at the Solano Way pedestrian crosswalk already proposed; and continue to work with neighbors to identify improvements (such as a gate) to control potential parking issues on Oak Knoll Avenue/Wurz Lane from the Project. To address the Commissioners' requests, the applicant has consented to incorporating conditions requiring: 1) no parking signage and bollards, as appropriate, with other traffic and parking control measures that would require the consent of adjacent property owners on Oak Knoll Avenue/Wurz Lane (COA 4.12(m)); and 2) pedestrian-initiated illumination of the crosswalk on Solano Avenue (COA 6.16 (d) and COA 9.5). With respect to affordable housing, at the January 22 public hearing the applicant described a local job training program which has been included into the draft conditions as COA 9.9 (a). Along with the mandatory payment of inclusionary housing in lieu fees of

approximately \$313,000, the applicant continues to propose the previously-described job training program as a response to the Commissioners' queries about workforce housing demands related to the project.

Decision-making Options:

Upon consideration of public testimony and the recommended findings and conditions of approval, the Commission may take one of the following actions:

Option 1: Approve Applicant's Proposal as Revised and with Conditions (Staff recommended option).

This action would result in redevelopment of the property with resort hotel, restaurant and retail and/or gallery uses, on the subject property. The proposed project would include new, energy-efficient buildings; water-efficient landscaping; and a new, on-site wastewater treatment system facilitating reuse of treated effluent on-site in toilet fixtures and landscape irrigation. On-site vehicular and bicycle parking would be provided in accordance with minimum requirements of the zoning code. Daily vehicle trips to the property would increase by an estimated 695 trips per day, though the proximate roadway system would continue to perform at acceptable levels of service. Along with EIR mitigation measures, conditions of approval recommended by staff would require revision of the site plan to remove the second driveway on Solano Avenue; limit hours of operation of the restaurant, and preclude restaurant operations from occurring on the hotel's rooftop lounge, as well as, any rooftop activities after 9:30 p.m.; and preclude the use of outdoor amplification systems.

Action Required – Adopt the recommended findings for certification of the FEIR, adoption of the mitigation monitoring program, and approval of the project; and 2) adopt the recommended conditions of approval of the project, making amendments to select, recommended project-specific conditions as listed in Attachment B, as may be appropriate, at the time the motion of approval is made.

Option 2: Reduced Density Alternative.

This alternative would allow redevelopment of the site with restaurant and retail uses consistent with the proposed project but would reduce the number of guest rooms from 50 to 44 by eliminating the third story on the buildings central to the property. All mitigation measures identified in the EIR would be required of the project, as the EIR did not identify any intensity-related project impacts. While visual impacts of the project were found to be less than significant, and the 32-foot height of the buildings is below the 35-foot maximum height allowed for buildings in the CL District, this alternative would lower the height of structures otherwise proposed. Recommended traffic, site and rooftop lounge access, water system and restaurant operations conditions recommended for the project would be applied to this alternative. Traffic generated under this alternative would be less than traffic volumes generated by the proposed project, though, as with visual resources, traffic impacts of the proposed project were not found to be potentially significant in the EIR analysis.

Action Required – For this option, the Commission would direct staff to: 1) revise the recommended findings for certification of the EIR and approval of the project to reflect this alternative action; 2) assemble a mitigation monitoring program and conditions of approval based on this alternative; and 3) make amendments to select, recommended project-specific conditions listed in Attachment B to include a requirement that the permittee revise the architectural plans in accordance with the description of this alternative, at the time the motion of approval is made. This option would require that findings and conditions be brought back to the Commission at a future date.

Option 3: Deny the Requested Use Permit.

As a result of this action, no hotel, restaurant or retail operations would occur under proposed conditions, though retail and restaurant uses could be re-established under existing, previously approved entitlements referenced above. This action could result in continued vacancy of the property until either: a) a new tenant was found for the existing buildings; b) a developer obtained approval of a request to redevelop the property in accordance with existing land use entitlements; or c) a use permit application for an alternative commercial use also consistent with the CL District was approved by the Planning Commission.

Action Required – In the event that the Commission determines that it cannot meet the required findings for grant of the requested use permit, Commissioners must articulate the basis of the conflict with the findings. The Commission would then make a tentative motion to deny the proposal and remand the matter to staff to draft the required findings of denial, based on the Commissioners' statements. Staff would return to the Commission with the findings of denial of the project on a specified date. Under this alternative, the FEIR would not be certified.

Option 4: Continuance Option.

The Commission may continue an item to a future hearing date without a tentative action at this meeting, at the Commission's discretion.

SUPPORTING DOCUMENTS

- A . Recommended Findings & Conditions of Approval
- B . Draft and Final Environmental Impact Report - Online Link
- C . Planning Commission Staff Report - January 22, 2020
- D . Public Comments Received After Commencement of January 22, 2020 Public Hearing
- E . Use Permit Application Packet
- F . Graphics

Napa County Planning Commission: Approve

Reviewed By: Brian Bordona