



City of Chula Vista

Staff Report

File#: 17-0407, **Item#:** 6.

- A. RESOLUTION NO. 2017-221 OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA CONSIDERING ADDENDUM TO ENVIRONMENTAL IMPACT REPORT UPD#83356-EIR-65B/SCH#2005081077, MAKING CERTAIN FINDINGS AND APPROVING THE AMENDED 2005 GENERAL PLAN AND LAND USE PLAN OF THE LOCAL COASTAL PROGRAM AND DIRECTING STAFF TO FORWARD THE SAME TO THE CALIFORNIA COASTAL COMMISSION
- B. ORDINANCE OF THE CITY OF CHULA VISTA APPROVING THE AMENDED SPECIFIC PLAN OF THE CHULA VISTA LOCAL COASTAL PROGRAM AND AMENDING CHULA VISTA MUNICIPAL CODE CHAPTERS 19.81 THROUGH 19.87 AND MAKING CERTAIN FINDINGS WITH REGARD THERETO (FIRST READING)

RECOMMENDED ACTION

Council conduct the public hearing, adopt the resolution and place the ordinance on first reading.

SUMMARY

The development firm of Land Developers and Associates Corporation (LDA), operating under the name of City of Chula Vista Property, LLC (Property Owner), and owner of the property located within the Bayfront Local Coastal Program Area (see Attachment 1) at 789 E Street, proposes to change the land use and zoning designation for that property from the current designation of Professional Office to Commercial Visitor.

The subject property is located in the Sweetwater District of the Chula Vista Bayfront Local Coastal Program (see Attachment 2 - Locator Map). The property consists of two legal lots comprising approximately 4.81 acres and is located on Bay Boulevard north of E Street, between the SDG&E right-of-way and the Interstate 5 freeway (Site). The Site is designated and labeled in the Local Coastal Program documents as Parcel 1a.

The proposed Amendment would ultimately allow the construction of hotels instead of offices. The proposed change in use requires minor changes to the City's General Plan and the Local Coastal Program (LCP) Land Use Plan and Specific Plan, as described in this report. The proposed Amendment requires a recommendation from the Planning Commission and approval by the City Council. The Planning Commission, at its meeting of October 25, 2017, recommended that the City Council approve the proposed Amendment. If the City Council decides to approve the proposed Amendment, the City Council's action to amend the LCP would be forwarded to the California Coastal Commission for Certification. Final approval by the City would be contingent upon approval by the California Coastal Commission.

ENVIRONMENTAL REVIEW

Environmental Notice

The proposed Amendment was adequately covered in the previously adopted/certified Final Environmental Impact Report UPD#83356-EIR-65B/SCH#2005081077 for the Bayfront Master Plan. An Addendum to the FEIR has been prepared.

Environmental Determination

The Director of Development Services has reviewed the proposed Amendment for compliance with the California Environmental Quality Act (CEQA) and has determined that the Amendment was covered in previously adopted/certified Environmental Impact Report UPD#83356-EIR-65B/SCH#2005081077 (the "FEIR"). The Director of Development Services has determined that only minor technical changes or additions to the FEIR are necessary and that none of the conditions described in Section 15162 of the State CEQA Guidelines calling for the preparation of a subsequent document have occurred; therefore, the Development Services Director has prepared an Addendum to the FEIR (see Attachment 3).

BOARD/COMMISSION RECOMMENDATION

The Planning Commission considered the proposed Amendment at its public hearing of October 25, 2017 and approved a resolution recommending that the City Council consider the Addendum to Environmental Impact Report UPD#83356-EIR-65B/SCH#2005081077, and approve the proposed amendments to the Chula Vista 2005 General Plan, Local Coastal Program Land Use Plan and Specific Plan, and Chula Vista Municipal Code Chapters 19.81 thru 19.87, as presented in the Resolution and Ordinance attached hereto.

DISCUSSION

The Site currently has a General Plan land use designation of Professional & Office and a Local Coastal Program (Land Use Plan and Specific Plan) land use and zoning designation of Commercial - Professional and Administrative (CP). The proposed Amendment would change the General Plan and Bayfront Local Coastal Program designation/zoning to Commercial - Visitor Limited (C-VL). The Amendment, however, would be unique and customized to this Site in that it would only allow hotels along with the typical uses that are ancillary to hotels such as limited retail and restaurant. All other land use regulations for the Site such as height, setbacks, parking, and floor area ratio, would remain unchanged. The Amendment that is the subject of this report and resolutions does not involve approvals of any building or site design drawings. Actual building and site plan approvals would be subject to separate future application/approval and Project specific environmental review pursuant to CEQA.

Proposed Areas of Revision:

The attached City Council Resolution and Ordinance contain a list of pages (Exhibit B) with the proposed changes. Below is a list of those changes to the 2005 General Plan and the Local Coastal Program.

1. Chula Vista 2005 General Plan

Page(s) LUT-45 General Plan Land Use Diagram
LUT-59 Table 5-6 General Plan Land Use Distribution (2030)

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LUT-60 Table 5-7 General Plan Land Use in 2030

Nature of Proposed Revision:

The proposed change relates to the land uses contained in the diagram on the above referenced page. The change, should the amendment be approved, would involve switching designator color to red indicating a Commercial Visitor use zone.

Proposed amendments to Tables 5-6 and 5-7 would reallocate the approximately 5 acres from the Commercial Office designation to Commercial Visitor where applicable.

2. Chula Vista Bayfront Local Coastal Program: Land Use Plan (adopted 09/2012; amended 07/2015 & 08/2015)

Pages: III-3; III-5; III-12 & III-13.

Nature of Proposed Revision:

Page III-3 - Change color of designator to indicate Commercial Visitor land use.

Page III-5 - Remove "C-P" reference and replace with "C-VL"; Remove office reference and change to hotel; and change reference to ownership.

Page III-12 - Amend Table 3-1 to reallocate acreage distribution related to proposed land use change.

Page III-13 - Remove reference to parcel 1a and related office zone. Add "Commercial- Visitor Limited (C-VL)" zone language.

3. Chula Vista Bayfront Specific Plan (September 2012)

Page 19 - Add "Commercial-Visitor Limited (C-VL)" zone language.

Analysis

Below is an analysis of the proposed Amendment to the General Plan and Local Coastal Program, which consists of the Land Use Plan and Specific Plan.

General Plan Amendment

The General Plan Amendment (GPA) involves a land use designation change of approximately 4.8 acres from Professional Office to Commercial Visitor to accommodate hotel uses within the Bayfront Planning Area.

The GPA proposes minor changes to the Land Use and Transportation Element of the General Plan consisting of:

- Land use acreage adjustments; and
- Revisions to tables, maps, and graphics.

Bayfront Area Plan and Sweetwater Subarea

The subject property is within the Sweetwater District, north of the Harbor and Otay Districts within the Bayfront Planning Area. Each of the subareas includes the Vision and applicable Objectives and Policies, along with development parameters, similar to the format and content of other Planning Areas in the General Plan. Each of the three Subareas contains unique opportunities and their own envisioned character. There are Objectives for each of the Subareas that reflect the unique vision for the respective subarea. For each of the Objectives, several Policies are crafted with particular instructions that achieve the Objective. The Vision, Objectives and Policies of the Bayfront Area Plan and Sweetwater District applicable to the Project are summarized and listed below.

a. Bayfront Area Plan: The Bayfront Area Plan envisions a world-class Bayfront in the City of Chula Vista to benefit citizens and visitors to the region, and to complement existing and proposed development within the City's corporate boundaries.

- Objective 101 promotes a water-oriented focal point for the entire City with uses that are attractive to visitors and residents.
- Policy 101 stipulates the provision of a balanced mix of land uses including visitor serving commercial, cultural, civic, residential and open space conservation.
- Policy 101.3 encourages the allowance of development intensity that provides for economic generators within the capacity of planned public services and infrastructure systems.

The proposed Commercial - Visitor land use designation is consistent with the Objective and Policies above, by designating a land use that could accommodate hotel uses for visitors as well as residents to the Bayfront area and City of Chula Vista. Convenient access to the Interstate 5 Freeway, existing transit route, utilities, and water and sewer would be able to serve and accommodate mid-rise hotels within the site.

b. Sweetwater: This northerly portion is envisioned to have a mixture of employment uses, visitor-serving hotels and restaurants, and a Signature Park located in proximity to Interstate 5 that is sensitive to the surrounding natural environment. These uses integrate the existing views of the Bay and the Sweetwater Marsh Wildlife Refuge, including linkages to the Bayshore Bikeway, Chula Vista Greenbelt trail system, and the Urban Core. It is intended as the lowest intensity of uses.

- Objective 107 encourages development activities that minimize impacts to surrounding environmentally sensitive lands.
- Policy 107.2 encourages lower intensity and visitor-serving development such as hotel, mixed-use commercial and office within the area.

The project site is at the most easterly portion of the Sweetwater District, adjacent to Interstate 5, and minimizes impacts to sensitive lands further to the west. The Commercial Visitor designation is consistent with and implements Policy 107.2 by accommodating hotel uses within the area.

General Plan Amendment Conclusion

The proposed GPA implements the goals and objectives envisioned for the Bayfront Planning Area

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and Sweetwater District. The Commercial Visitor land use designation accommodates hotels, and contributes to the development of a dynamic Bayfront for the City's residents and visitors. The project promotes development of hotels within the easterly portion of the Bayfront and protects sensitive resources.

LCP Land Use Plan and Specific Plan

As listed above, the proposed Amendment to the Land Use and Specific Plans is limited and intended to change the land use and zoning designation from office to hotel. As indicated above, the Amendment to the LCP consists of changes to Pages III-3; III-5; III-12; and III-13 of the Land Use Plan, which consist of changing designator colors and exchanging acronyms (C-P to C-VL) and references to the land use and zoning for Parcel 1a.

The proposed changes to the LCP documents are intended to allow the development of hotels and ancillary uses on Parcel 1a. The existing CP-O zone would be converted to Commercial - Visitor Limited (C-VL). The requested modification would restrict uses to hotel uses only (CVMC §19.84.002 (A)(2)(a)) and would not permit other uses allowed under the zone unless C-V allowed commercial and retail uses are ancillary to the main use and contained within the main structures. This would ensure that first and foremost, all ancillary uses are provided for the use, convenience and enjoyment of hotel guests.

The rationale for the restricted zoning and narrow definition of allowed uses proposed by the developer is to limit the extent of impacts generated by the development and its operation to fall below or, at a minimum be consistent with the range and level of impacts analyzed and mitigated in the original project Environmental Impact Report (EIR). Allowing a host of uses permitted under the C-V zone (restaurants, bowling alleys, etc.) would carry additional impacts and would potentially incur supplemental environmental analysis. The proposed Amendment does not have any significant impacts and is consistent with the 2005 General Plan and LCP based on the following:

- The proposed development is a hotel use permitted under the proposed C-VL zone;
- Project is not residential;
- The proposed use would be a select service hotel constructed to the building standards currently allowed under the Chula Vista Bayfront Master Plan (CVBMP) (120,000 sq. ft./44 ft. max);
- The limited C-VL zone would allow only hotel uses and would not permit other uses allowed under the C-V zone unless ancillary to the hotel use and contained within the main hotel structure.

Consistency with the General Plan and LCP

In preparation of this application, LDA produced a number of graphics and retained professional consultants to generate reports covering a number of potential issue areas. Traffic, fiscal impacts and water and sewer generation rates were developed and compared to levels that would exist under the current zoning. Below is a discussion of these issue areas.

Land Use and Zoning Compatibility

Chula Vista General Plan

The Chula Vista General Plan sets forth several objectives and goals for future development of the City and in particular the Bayfront. The proposed hotel use is consistent with the goals of the General

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Plan from a citywide perspective, as well as for the Bayfront Planning Area. The General Plan Amendment implements the goals and objectives envisioned for the Bayfront Planning Area and Sweetwater District. The Commercial Visitor land use designation accommodates hotels, and contributes in the development of a dynamic Bayfront for the City's residents and visitors.

Local Coastal Program Land Use Plan and Specific Plan

The proposed zoning change would be consistent with Chula Vista's LCP. Under the plan, (Table 3-1, pg. III-12) the land use distribution would still allow for 21 acres of office use and increase Commercial Visitor uses to just over 10 acres. Other goals contained in the LCP are consistent with the proposed rezone and General Plan Amendment. The freeway orientation of the site, the integration of non-motorized transportation modes and the protection of coastal sight lines are all factors inherent in the proposal and consistent with goals established by the LCP. The proposed use is consistent with the LCP, which includes hotel uses. All development standards and requirements included in the LCP for the site will remain the same and they all can be achieved. Moreover, the proposed use generates fewer environmental impacts than the allowed professional office use, as further explained below. The Bayfront Specific Plan is intended to implement applicable land use policy documents through a series of specific design related regulations. The current request by LDA is to rezone Parcel 1a through amendments to the Chula Vista General Plan and LCP. The Specific Plan requires development related standards that are not directly applicable to a use-related rezone application.

Chula Vista Bayfront Master Plan

Aside from the change in use, the LDA proposal adheres to all requirements contained in the CVBMP. The developer will be encouraged to fully integrate the subject site with other public uses in the Sweetwater District and work to design and construct an appropriate gateway for the E Street entrance to the Bayfront. The GPA implements the goals and objectives envisioned for the Bayfront.

The LDA proposal, if approved, has the ability to encourage development in the northern portion of the Bayfront. The proposal would also fund infrastructure improvements. The provision of lower cost hotel accommodations is consistent with the goals of the Coastal Act.

Environment

The Chula Vista General Plan identifies hotel development as a low intensity use and recommends visitor related uses as a goal in the northwest sector of Chula Vista. In addition to the building size and height, LDA is required to comply with all CVBMP requirements with respect to energy efficiency, landscaping, protection zones, building materials and operations, etc. The LDA proposal will comply with the required 100 ft. ecological preserve buffer at the northern property line. In addition, construction, materials and operations will adhere to the requirements contained in the CVBMP Settlement Agreement approved in May, 2010.

Traffic

A traffic study dated October 26, 2015 was prepared by a registered traffic engineer (Federhart) to assess the impact on traffic generation for the Site as a result of the Project. All figures used in this analysis were derived from the 2010 CVBMP FEIR, Appendix 4.2.1 and SANDAG'S "Guide of Vehicular Traffic Generation Rates for the San Diego Region, 2002". For the purposes of this analysis, a business class, select service hotel development was considered based on the subject parcel size, maximum room count and the limitation of amenities, such as pools, personal services

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and onsite restaurants. It was also determined that comparison building programs would be equal and based upon the CVBMP approved development envelope (140,000 sq. ft./44 ft. ht.).

The Traffic analysis identified significant traffic related benefits along the E Street corridor from the proposed change in use over the existing office designation for the 1a parcel. In particular, peak hour traffic impacts are reduced an average of 45% in the morning hours and 47% during evening periods. Overall, traffic generation for the proposed hotel use is 27% lower than the allowed office use. No significant traffic impacts beyond those identified in the CVBMP FEIR would result from this Project.

Utilities

A Sewer and Water Demand report, dated December 21, 2015, was prepared by Dexter Wilson Engineering to determine the level of change in forecast wastewater generation and potable water demand as a result of the proposed GPA and rezoning. The analysis considered the current projections for the utilities as stated in the 2010 CVBMP FEIR for a commercial office development. That projection data was compared to estimates for a proposed hotel contained in the same environmental document. The comparison assumed that both developments would observe existing buildout scenarios allowed in the CVBMP (120,000 s.f./44 ft.).

Wastewater

Based on the analysis prepared by the consultant, the hotel use would result in a net reduction of 2,600 Gallons Per Day (GPD) when compared to the office use. As a result of the proposed land use change, Parcel 1a will have a net benefit by reducing total wastewater flows and account for only 2.2% of the total projected flows for the entire Sweetwater District as projected in the 2008 Sewer Technical Study.

Water

The consultant analyzed projected demand for potable water for the proposed land use changes and compared that demand to the projected impacts for an office use contained in the CVBMP FEIR. Based on the review, the change in use will add approximately 9,250 GPD. This increase is considered to be negligible and will not result in the need for additional facilities beyond those identified in the CVBMP FEIR. The consultant analyzed the capacity of existing underground facilities (sewer/water) and those planned to adequately serve the Sweetwater District, which includes the subject site. Based on that analysis, no changes to the planned infrastructure is required or recommended. The increase is considered less than significant and there are no impacts beyond those identified in the CVBMP FEIR.

Public Noticing

Processing of the proposed LCP Amendment went through two levels of public review. California Public Resources Code requires that amendments to LCP's be set for public review for a period of 45 days prior to their presentation to policy-makers for consideration. Staff set the proposed LCP Amendment for public review from August 7, 2017 through September 21, 2017. The documents were deposited for public consultation at the City of Chula Vista Development Services Public Counter and the Chula Vista Public Library Civic Center branch, and an electronic copy of the documents was also available on the City's web site and the link was included in the written notice. A written public notice was mailed to all property owners within the LCP Area, as well as to a list of public agencies.

As part of the Planning Commission public hearing on the General Plan and LCP Amendment, a new notice of public hearing was sent to and published in the Star News on October 13, 2017. A copy of the notice was also mailed to all property owners within the LCP Area. A copy of the proposed Amendment documents remained in the Public Services Counter, library branch and City's website for public consultation until the day of the Planning Commission hearing.

And finally, as part of the City Council public hearing on the Amendment, a new notice of public hearing was sent to and published in the Star News on November 24, 2017. A copy of the notice was also mailed to all property owners within the LCP Area. A copy of the LCPA documents remained in the library branches and City's website for public consultation until the day of the City Council hearing.

DECISION-MAKER CONFLICT

Staff has reviewed the property holdings of the City Council members and has found no property holdings within 500 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(11), for purposes of the Political Reform Act (Cal. Gov't Code §87100, *et seq.*).

Staff is not independently aware, and has not been informed by any City Council members, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. The amendment to the Local Coastal Program and its implementation at the project level support all of the City's major goals by providing a land use and regulatory document that will serve to promote and facilitate the implementation of development projects such as the proposed hotel project, as well as other commercial, industrial and open space projects. Development of the projects contemplated in the LCP will create jobs (Economic Vitality/Operational Excellence), provide a well planned community on the Bayfront (Healthy, Strong and Secure Neighborhoods) that will improve the western part of the City and connect the Bayfront to the rest of the City (Connected Community).

CURRENT YEAR FISCAL IMPACT

All costs associated with processing the proposed amendments are borne by the applicant, resulting in no net fiscal impact to the General Fund or Development Services Fund.

ONGOING FISCAL IMPACT

Though a job creation analysis has not been developed for this application, LDA has prepared reports for comparable hotel projects in Southern California. A typical select-service hotel with approximately 200 rooms would generate approximately 250 temporary construction jobs, and approximately 45 ongoing hotel operations jobs and 28 ongoing food service jobs. Indirect jobs created split between construction and hotel operations induced activity could generate an additional 170 jobs.

A fiscal analysis report was prepared to quantify the level of revenue generation for a hotel at the

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subject site and annual rate of return in a 10-year planning horizon. The analysis indicated that a hotel would generate nearly 20 times more revenue than a similar sized office complex. Since local demand for visitor accommodations is greater than office development, the hotel use would be absorbed within the first three years, whereas it would take nearly 8 years to absorb the available density for office under optimistic circumstances.

In addition to job creation, the project would generate Transient Occupancy Taxes (TOT) to the City, as well as ancillary sales tax dollars from visitors. Annual TOT is currently estimated to total \$710,215, but may vary based upon the final proposed room count.

ATTACHMENTS

1. Local Coastal Plan Area Map
2. Site Locator Map
3. Addendum to EIR with Attachments

Staff Contact: Miguel Z. Tapia, AICP, Senior Planner