

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
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W18d

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Staff: D.Carl
Staff report prepared: 8/28/2001
Hearing date: 9/12/2001
Hearing item number: W18d

APPEAL STAFF REPORT SUBSTANTIAL ISSUE DETERMINATION

Appeal number A-3-WAT-01-067, Triad Utility Extension

Applicants Triad Associates

Appellant Triad Associates

Local government City of Watsonville

Local decision Denial (June 12, 2001)

Project location A 4.2 acre portion of City Coastal Zone Area B located west of Highway One at its intersection with Airport Boulevard in the City of Watsonville in south Santa Cruz County (821 Airport Blvd, APN 018-352-05).

Project description Extend water and sewer utility lines (from existing utility lines east of Highway One in the City of Watsonville) across Highway One to serve City of Watsonville Coastal Zone Area B west of the Highway.

File documents City of Watsonville Certified Local Coastal Program; City of Watsonville Coastal Development Permit Application Files U-13-89 (Pajaro Valley Inn) and U-25-91 (Utility Extension).

Staff recommendation ... **No Substantial Issue**

Summary of staff recommendation: In 1991, the City of Watsonville approved separate coastal development permits (CDPs) to allow a motel/conference facility on the subject site (CDP U-13-89) and an extension of sewer and water utilities westerly across Highway One (CDP U-25-91) to serve the motel. The motel and utilities were never constructed and the CDPs were subsequently extended yearly until 2001 when the City, finding that changed circumstances existed, denied the extension requests and set the CDP applications for de novo hearings. Subsequently, the CDPs for both the utility extension and the motel were denied by the City in June 2001. The Applicant then appealed the City denial of the utility extensions to the Commission; the motel denial was not appealable because only major public work facility denials can be appealed to the Commission.

The subject 4.2 acre site is undeveloped. Though used for agriculture in the past, the site has lain fallow for some time. The LCP's principal permitted use for the subject site is agriculture. The utility extensions that are the subject of this appeal, if approved, would provide for sewer and water service to a vacant agricultural parcel west of Highway One since the motel approval has not been extended by the



California Coastal Commission
September 2001 Meeting in Eureka

Staff: D.Carl Approved by: *D.C. 8/27/01*

A-3-WAT-01-067 (Triad Utilities) staff report 9.12.2001.doc

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City. The subject parcel also supports an unnamed wetland. The LCP provides strong policy direction to protect ESHA and agricultural lands, and to maintain the rural agrarian character of the small portion of the City, including the subject parcel, that lies west of Highway One. The LCP identifies Highway One as the urban-rural boundary. The LCP's public works policies specifically discourage the provision of sewer and water service west of the Highway for these reasons, and require that such services only be provided in conjunction and sized in accordance with the development that they are to serve.

An extension of water and sewer service to a vacant agricultural property to serve an unknown future development is inconsistent with the LCP's agricultural and public works policies. Staff recommends that the Commission find that no substantial issue exists with respect to the City's decision and decline to take jurisdiction over the coastal development permit application for the proposed project.

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1. Local Government CDP History and 2001 CDP Denials

In 1991, the City of Watsonville approved a 100-unit motel/conference facility on the subject site (CDP U-13-89). Subsequently, the City approved an extension of sewer and water utilities to the subject site later that same year (CDP U-25-91; see exhibit C). The utility extension was preceded by a memorandum of understanding (MOU) by and between the City and the County of Santa Cruz limiting the size of the sewer line to 6 inches in diameter under the Highway and 4 inches in diameter from the Highway to the motel site as a means to address potential growth inducement and agricultural conversion issues within unincorporated Santa Cruz County adjacent to the site (see exhibit D).

After the CDPs were approved, project construction never commenced. Instead, the City processed a series of one-year CDP extensions. For whatever reason, though not appropriately processed as CDP



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amendments, the City used the extensions to modify the project conditions for both CDPs, including changes to the conditions that allowed for a larger sewer line size. The MOU between the City and the County was also amended to allow for a larger sewer line size than originally permitted. After a series of detailed correspondence with Commission staff on the topic, the City agreed in 2000 that the original CDP conditions as approved in 1991, unamended, including the original sewer line sizing, were the conditions that governed the subject permits.

The City ultimately extended the CDPs again in 2000. At that time, however, it was determined that the site now contained an unnamed wetland (that had formed since the original approval or that had not been identified at the time). After another series of detailed correspondence and meetings with Commission staff and the Applicant regarding the wetland issue, the City rescinded the 2000 notice of extension. On April 24, 2001, the City Council determined that changed circumstances existed and denied both CDP extension requests, setting both applications for de novo public hearings. Subsequently, on June 12, 2001, the City Council denied CDPs U-13-89 and U-25-91 (see exhibit E for City's denial staff report and findings).

2. Appeal Procedures

Coastal Act Section 30603 provides for the appeal of coastal development permit denials in jurisdictions with certified local coastal programs only if the proposed development constitutes a major public works project or a major energy facility. Because of this, the City's denial on the motel project (CDP U-25-91) cannot be appealed to the Commission and the local decision stands. The water and sewer line CDP denial (CDP U-13-89), however, was appealable as a major public works facility.

Notice of the City Council's action on CDP U-13-89 was received in the Commission's Central Coast District Office on June 21, 2001. The Commission's ten-working day appeal period for the utility denial action began on June 22, 2001 and concluded at 5pm on July 6, 2001. One appeal (see below) was received during the appeal period.

The grounds for appeal under Section 30603 are limited to allegations that the development conforms to the standards set forth in the certified LCP and the public access policies of the Coastal Act. Section 30625(b) of the Coastal Act requires the Commission to conduct a de novo coastal development permit hearing on an appealed project unless a majority of the Commission finds that "no substantial issue" is raised by such allegations. Under Section 30604(b), if the Commission conducts a de novo hearing, the Commission must find that the proposed development is in conformity with the certified local coastal program. Section 30604(c) also requires an additional specific finding that the development is in conformity with the public access and recreation policies of Chapter 3 of the Coastal Act, if the project is located between the nearest public road and the sea or the shoreline of any body of water located within the coastal zone. This project is not located between the nearest through public road (San Andreas Road) and the shoreline and thus, this additional finding need not be made in a de novo review in this case.

The only persons qualified to testify before the Commission on the substantial issue question are the



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Applicant, persons who made their views known before the local government (or their representatives), and the local government. Testimony from other persons regarding substantial issue must be submitted in writing. Any person may testify during the de novo stage of an appeal.

3. Appellant's Contentions

The project Applicant, Triad Associates, submitted an appeal of the City's denial on July 5, 2001. The appeal states in full:

Permit U-25-91 was revoked by City of Watsonville as a trade-out for granting extension of utilities to high school site. This permit was the subject of an MOU and had imposed a 1 foot non-access strip to prevent extension of utilities beyond use proposed. It therefore had no growth-inducing impacts. The LCP was modified without proper notice to us.

Please see exhibit F for Triad Associates' complete appeal document.

4. Staff Recommendation on Substantial Issue

The staff recommends that the Commission determine that **no substantial issue** exists with respect to the grounds on which the appeal was filed. A finding of substantial issue would bring the project under the jurisdiction of the Commission for hearing and action.

Motion. I move that the Commission determine that Appeal Number A-3-WAT-01-067 raises no substantial issue with respect to the grounds on which the appeal has been filed under §30603 of the Coastal Act.

Staff Recommendation of No Substantial Issue. Staff recommends a yes vote. Passage of this motion will result in a finding of No Substantial Issue and adoption of the following resolution and findings. If the Commission finds No Substantial Issue, the Commission will not hear the application de novo and the local action will become final and effective. The motion passes only by an affirmative vote by a majority of the Commissioners present.

Resolution To Find No Substantial Issue. The Commission hereby finds that Appeal A-3-WAT-01-067 does not present a substantial issue with respect to the grounds on which the appeal has been filed under §30603 of the Coastal Act.



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5. Recommended Findings and Declarations

The Commission finds and declares as follows:

A. Project Description

The proposed project would extend sanitary sewer and water service from east of Highway One, under the Highway and to the subject roughly 4 acre site. As such, it involves portions of Coastal Zone Area R (i.e., the Highway One right of way) and part of City Coastal Zone Area B located west of Highway One at its intersection with Airport Boulevard (north of Area C and south of Area A). The site to which utilities would be extended is one of two parcels within City of Watsonville Coastal Zone Area B; from what the Commission understands, both of these parcels are owned by the Applicant.¹ The proposed water line would be an 8 inch water line; the proposed sewer line would be 6 inches for that portion running under the Highway and 4 inches for that portion then extending onto the subject site. Both lines would connect into the City's utility grid east of Highway One. No such urban utility service currently exists at the subject location.

See exhibits A and B for project location and proposed site plan maps.

B. Substantial Issue Findings

1. Applicable LCP Policies

The 4.2 acre site to which utilities would be extended is currently undeveloped and is located west of Highway One. The LCP identifies Highway One as the urban-rural boundary within Watsonville's coastal zone; urban on the inland side and rural on the ocean side.² Though used for agriculture in the past, the site has lain fallow for some time. In any case, the LCP's principal permitted use for the site remains agriculture. Applicable LCP policies include those that apply to all City coastal zone areas

¹ APN 018-352-05 (approximately 4.2 acres) and APN 018-352-02 (roughly ½ acre).

² The Commission has consistently recognized Highway One as the urban-rural boundary within Watsonville's coastal zone; urban on the inland side and rural on the ocean side. The LCP states that Highway One "serves that purpose [of an urban rural boundary] now, with the exception of the industrial area at the crossing of Beach and Lee Roads" (this approximately 75 acre area west of the Highway within the City limits was removed from the Coastal Zone in 1979 by the State Legislature, and it is currently developed with industry and a new hotel and is served by public utilities). In considering whether the coastal zone boundary should be changed, the Commission found that Highway One through Watsonville was the most stable urban-rural boundary. This determination was repeated in the Commission's findings for certification of the City's LUP, on December 2, 1982: "Since its construction Highway One has functioned as an urban/rural boundary on the western edge of Watsonville." The Commission findings of December 2, 1982 further state that, "the Commission recognized this line in its decision to deny a permit for a recreational vehicle park in Area B in 1977 and in requiring that sewer services not be extended into the City's Coastal Zone areas as a condition of approving a permit for a wastewater treatment plant expansion in 1981." In approving the permit for the wastewater treatment plant expansion the Commission found, "that abandonment of Highway One as a stable urban/rural boundary by permitting development west of it could have adverse impacts on agriculture and sensitive habitats." The Commission further found, "that such development could only occur after the LUP process had examined the cumulative impacts which could result and could propose appropriate land use intensities which could be found consistent with the Coastal Act." Most recently (through their adopted findings for LCP Major Amendment 1-99 in 2000) the Commission concluded as follows: "therefore, to maintain conformance with the Coastal Act the urban-rural boundary should be retained at Highway One."



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including (emphasis added):

LUP Policy II.A.1. New development shall be located within, contiguous with, or in close proximity to existing developed areas able to accommodate it.....visitor-serving facilities that cannot feasibly be located in existing developed areas shall be located at selected points of attraction for visitors.

LUP Policy II.A.2.(b). Lands suitable for agricultural use (i.e., Areas A, B, and C) shall not be converted to non-agricultural uses unless (1) continued or renewed agricultural use is not feasible, or (2) such conversion would preserve prime agricultural land or development would serve to concentrate development consistent with Policy II.A.1. This policy shall not supercede specific policies III.B.4 and III.C.4 that apply to Areas B and C.

LUP Policy II.C. Special districts or City utility department service areas shall not be formed or expanded except where assessment for, and the provision of, the service would not induce new development inconsistent with the preservation of agricultural land and other coastal resources. ... Any such sewer and potable water utilities shall: be the minimum size necessary to accommodate the permitted use; be designed and built without extra connection points (i.e., stub-outs) not necessary for the permitted use; be installed only in conjunction with actual construction of the development that they are to serve; incorporate dedication of a one-foot or greater non-access easement surrounding the parcel served by the utilities across which extensions of sewer service and potable water are prohibited; be placed entirely within the City of Watsonville City limits unless certain overriding exception circumstances are found; emanate from one City sewer line under Highway One north of Beach Road unless certain overriding exception circumstances are found; and not be developed if capacity is not available to serve the permitted use.

Zoning Section 9-5.705(g)(10). Utility Extensions.

- (i) An application for a development that requires public wastewater or water lines shall include: (aa) a plan showing the location and sizing of all water and wastewater facilities; (ab) calculations indicating the amount of water needed and wastewater generated from the development; (ac) calculations for the commensurate sizing of the utility lines; (ad) an analysis of alternative use of on-site systems; and (ae) a financial plan showing estimated costs and financing means of initial installation and future maintenance.*
- (ii) In order to approve any such public wastewater or water line, City staff shall have verified that: (aa) the facilities are sized no greater than necessary to serve the permitted development; and (ab) the financial plan is sound and is not predicated on any third party funding that would induce growth inconsistent with this chapter.*
- (iii) Any permit to approve a public wastewater or water line must be conditioned to prohibit installation to occur prior to the commencement of construction of the development that it is to serve.*



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The LCP also includes specific policies that apply within Area R (i.e., the Highway One right of way). These policies dictate that utilities are allowed as a conditional use. Area R, however, does not contain specific standards for such utilities itself. As such, the LCP's general policies apply to such utilities. More directive are the specific policies that apply to the individual coastal zone areas (e.g., Area B-specific policies). LCP policies that apply solely to development within Area B include:

LUP Policy III.B.4 (reiterated by LCP Zoning Section 9-5.705(b)(4)). Visitor serving commercial use [on Coastal Zone Area B] may be approved only if it is demonstrated that:

(A) public sewer and water services, if necessary, can and will be provided to the site, and only if such services are:

(1) the minimum size necessary to serve the permitted development; and

(2) provided by only one City sewer and water line under Highway One north of Beach Road (i.e., this connection must be shared by any development on Area C that also is allowed public sewer and/or water service) unless all of the following occur:

(a) Caltrans will not allow the placement of a utility line to be installed in the Caltrans right of way within the City limits;

(b) the City makes a finding that there is a one foot non-access strip surrounding any pipelines through County land which prohibits any tie-ins to the lines and which is dedicated to a non-profit agency;

(c) the City makes a finding that any pipelines through County lands are located inland of the Santa Cruz County Utility Prohibition Overlay District adopted pursuant to the MOU required by City of Watsonville LCP Amendment 1-99;

(d) the utility line(s) through the County is (are) found consistent with the County local coastal program and have received an appealable County coastal permit; and

(e) the connecting lines within the City limits comply with all other applicable provisions of this ordinance; and

(B) the proposed facility could not be located in an existing developed area and continued or renewed agricultural use is not feasible.

In sum, the LCP defines an urban limit line at Highway One and reinforces this with policies generally designed to protect agricultural, ESHA, and open space lands west of the Highway. The LCP specifically protects Area B for agriculture and only allows utility extensions under certain exacting circumstances. The subject 4.2 acre site is undeveloped. Though used for agriculture in the past, the site has lain fallow for some time. In any case, by virtue of its rural undeveloped nature, it remains an entrance into the rural agricultural lands of unincorporated Santa Cruz County immediately adjacent to the west.³ The LCP's principal permitted use for the site remains agriculture. Because of this, though motels and restaurants are identified in the LCP as a conditional use, the LCP requires a finding that "renewed agricultural use is not feasible" before such conditional uses can be permitted. The LCP has an agricultural viability

³ The same can be said for the roughly 1/2 acre parcel not a part of this appeal that makes up the remainder of Area B.



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reporting requirement for this purpose.

2. Analysis

The Appellant essentially makes three appeal allegations:⁴

Appeal Allegation 1: The LCP was modified without proper notice to the Applicant;

Appeal Allegation 2: The City denied the utility extension as a ‘trade off’ for allowing utilities to be extended to serve a public high school; and

Appeal Allegation 3: The proposed project had no growth inducing impacts because it was the subject of an MOU and included a one-foot non-access strip.

Appeal Allegation 1

Coastal Act Section 30603 limits appeals of denials to allegations that the proposed project conforms to the standards set forth in the certified LCP. As such, Appeal Allegation 1 is not technically a valid appealable allegation inasmuch as it is not directly related to LCP conformance. In any case, from what the Commission can infer from the allegation, the Appellant is arguing that they were not notified of the most recent major amendment to the LCP that was approved by the Commission in March 2000 (LCP Major Amendment 1-99).⁵ However, Commission LCP files indicate that the Applicant-Appellant was noticed of the pending LCP amendment at the address that the Commission then had on file; the same address listed in the appeal submitted.⁶ Though immaterial to the case at hand, the Applicant appears to have been properly noticed for LCP Major Amendment 1-99. The Commission finds that appeal allegation 1 does not raise a substantial issue.

Appeal Allegation 2

The allegation that “trade-offs” were somehow made that resulted in the denial of this project to allow for another project to move forward elsewhere is not technically a valid appealable allegation under Coastal Act Section 30603. That said, however, from what the Commission can infer, the Appellant is alleging that the City denied the subject utilities so that the City could instead allow utilities to serve the proposed high school site that is located to the south on Coastal Zone Area C.⁷ The Appellant appears to be referring to the above-referenced LCP policies that allow water and sewer utilities to be extended

⁴ See exhibit F for the Appellant’s complete appeal document.

⁵ There have only been two LCP amendments to the City’s LCP. The first, in 1998, expanded the types of public recreational uses that would be permitted in Area A of the City’s coastal zone (in the northwestern corner of the City – not the subject site; Major Amendment Number 1-98). Most recently, in 1999, LCP Major Amendment 1-99 provided for a public school use on Area C and a number of additional LCP modifications. Because Amendment 1-99 was the most recent LCP amendment, because it involved changes applicable throughout the City’s Coastal Zone, and because it allowed for a high school use on City Area C (to which the Appellant also separately refers), it appears that this is the LCP amendment to which the Appellant refers.

⁶ P.O. Box 2472, Santa Cruz, CA 95062. See also appeal document in exhibit F.

⁷ The proposed high school has been approved by the City and is the subject of a separate pending appeal at the Coastal Commission (Appeal Number A-3-WAT-01-070). A public hearing has not yet been scheduled for the high school appeal.



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west of Highway One at only one location north of Beach Drive.⁸

This allegation lacks merit on three points.

First, the policies limiting Highway One utility crossings to a single location north of Beach Drive also have a provision to allow more than one crossing if a series of findings can be made (see LUP Policy III.B.4 above). As such, the certified LCP provides a mechanism to allow a second utility line crossing, under certain circumstances, if of course other applicable LCP conformance tests can be made to allow the use that the utilities would then serve.

Second, although the high school project as approved by the City would provide for sewer and water utility extensions at Harkins Slough Road, the City's approval has been appealed and not yet heard by the Commission. As such, there is no valid CDP yet for such an extension of utilities. In addition, since the final disposition of this matter is unclear, the resultant location for any utility lines that may be approved is likewise unclear.⁹

And lastly and most importantly, since the motel development to which the utilities were to be extended was denied by the City, the utility extension that is the subject of this appeal would be to serve an undefined future project on a site for which the principal permitted use is agriculture. If renewed agricultural use is deemed infeasible, and if the site cannot be served by on-site services (i.e., well and/or septic), the LCP requires that such services only be provided in conjunction with, and sized in accordance to, the development that they are to serve (see LUP Policies II.C and III.B.4, and Zoning Section 9-5.705(g)(10) above); since there is no approved development for which the utilities would be provided, consistency with the LCP on this point is not possible. Accordingly, the Commission finds that appeal allegation number 2 does not raise a substantial issue.

Appeal Allegation 3

The Appellant argues that the growth inducing aspects of constructing sewer and water lines to the subject site are addressed by the associated MOU and the required one-foot non-access strip. There are several points to make here.

First, the MOU to which the Appellant refers was by and between the City of Watsonville and the County of Santa Cruz and was entered into in 1991, and subsequently amended in 1997 (see exhibit D

⁸ Note that these policies are reiterated within the specific policies applicable to coastal zone Area C as well.

⁹ Note that the City's high school approval that has been appealed would place the water and sewer lines under Harkins Slough Road. Such a location is south of the area to which the Commission directed the one line crossing in their adopted findings for LCP Major Amendment 1-99. In Amendment 1-99, the Commission found as follows: "If there is only one line, then it will be the City's responsibility to site it appropriately. The candidate area appears to be an extension from the intersection of Westgate Drive and Anna Street. This will then require a line paralleling the Highway One right-of-way for a few hundred feet. Caltrans only allows such line placement under limited circumstances. It appears that such findings can be made, but the final decision will rest with Caltrans. If, for some reason, a Caltrans right-of-way cannot be approved, an exception can be made to place a line on County lands, but only if appropriately restricted to prohibit future tie-ins." The intent being to place utility lines in such a way that they could be used to serve both Area C and Area B, provided applicable LCP policy tests could be made to allow conversion of agriculture, and provided on-site systems were not possible.



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for the MOU).¹⁰ Although the MOU refers to utility sizing, it specifically refers to the conditions attached to the motel CDP (since denied) and not the utilities CDP action that is the subject of this appeal. Though it may be argued that the MOU in some way could be inferred to apply to the utilities CDP, the MOU refers specifically to conditions and permits that no longer exist (i.e., the motel CDP, CDP U-13-89).

Second, because associated with the since denied motel CDP, the MOU and the sewer line sizing were tied to the wrong permit action.¹¹ In other words, all aspects of the utility extension (including sizing and access restrictions) would need to be addressed within the context of a utility permit action; an action that by virtue of being a "major public works facility" is appealable to the Commission.¹² Because they are not, the effectiveness of such instruments is limited.

Third, the one-foot access strip requirement to which the Appellant refers stems from CDP U-25-91 departmental condition number 4 (see exhibit C) that states:

To eliminate future requests for sewer access, a one-foot (1') non-access strip around the perimeter of the property shall be recorded.

Although this condition lacks specificity (i.e., it is not clear if the "strip" is an easement, a property restriction, something else; it is not clear to whom such a strip would need to be offered, if at all; it is not clear how the strip would be legally structured to disallow utility crossings; it is not clear to what property the perimeter refers; etc.), it would certainly provide a modicum of protection against growth inducement offsite. However, as discussed above, there is a fundamental LCP problem before one arrives at the use a "strip" in that there is no corresponding approved development to which the utilities would be extended. Absent the use, the required LCP policy tests cannot be met (see LUP Policies II.C and III.B.4, and Zoning Section 9-5.705(g)(10) above).

And finally, although the proposed extension of utilities to serve the subject site certainly raises concerns about its potential to induce growth that may result in conversion of adjacent agricultural lands, a point the Appellant appears to be arguing is addressed by the MOU and the 1' non-access strip, the real issue is the growth inducement and the potential for agricultural conversion of Area B itself. The LCP identifies agriculture as the principal permitted use here; any development that would be proposed would

¹⁰ The MOU provided that if the utility sizing were restricted as defined in the MOU, then the County would not appeal the Pajaro Valley Inn approval. However, the motel CDP action was not appealable at that time (it would be today based on the presence of the unnamed wetland on the site). In any case, whereas the original 1991 MOU specified a 6 inch sewer line under the Highway with a 4 inch sewer line extending onto the site, the 1997 addendum increased the sewer line size unilaterally to 8 inches. The CDP was not amended to reflect any such change. See also above permit history findings.

¹¹ The artificial separation of the motel and utility CDP actions for functionally related development remains a fundamental permitting flaw related to the proposed motel development. The artificial separation made it so that the motel CDP action, at least at the time it was originally approved, was not appealable to the Coastal Commission. Given the presence today of the unnamed wetland on the site, a CDP action to approve a motel or similar project here in the future would be appealable to the Commission.

¹² On this point, Commission staff engaged in a detailed correspondence with the City. If the City's intent were to govern utility sizing through the (now denied) motel permit, then the motel permit would need to be considered an appealable CDP as a major public works project.



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first need to show that renewed agricultural use is infeasible through the LCP-required agricultural viability report. In addition, the LCP requires protection of the unnamed wetland located on the subject site. The proposed water and sewer lines, if installed, would definitely make the subject property more attractive for non-agricultural development. Such direction is contrary to the direction offered by the LCP for the subject site.

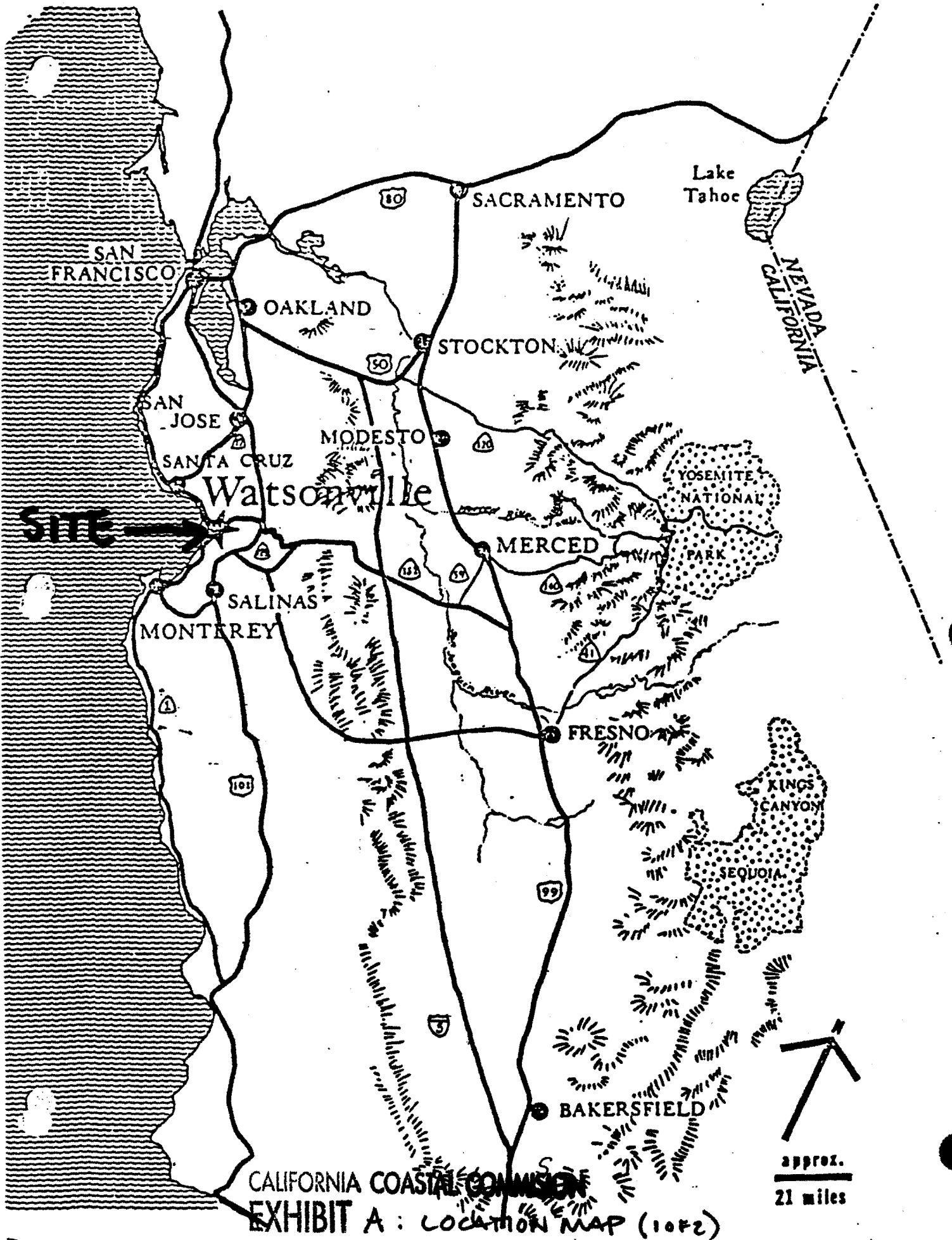
The Commission finds that appeal allegation number 3 does not raise a substantial issue.

3. Conclusion

The LCP only allows sewer and water service west of the Highway to serve Coastal Zone Area B if: renewed agricultural use has been determined to be infeasible; the utilities have been sized to the minimum size necessary to serve the permitted development; and the utilities are developed only in conjunction with development they are intended to serve. These LCP restrictions reinforce the LCP's direction for this agriculturally zoned site, and all of the City's coastal zone, that the rural agricultural nature of the City coastal zone west of the Highway be maintained. An extension of water and sewer service to a vacant agricultural property to serve an unknown future development is inconsistent with the LCP's agricultural and public works policies. If any such utility extensions are contemplated for this site in the future, the LCP dictates that such utilities be a functionally related component of any overall permitting action to allow a non-agricultural use at this location, and not an artificially segmented separate action that makes LCP conformance difficult to achieve on its own merits.

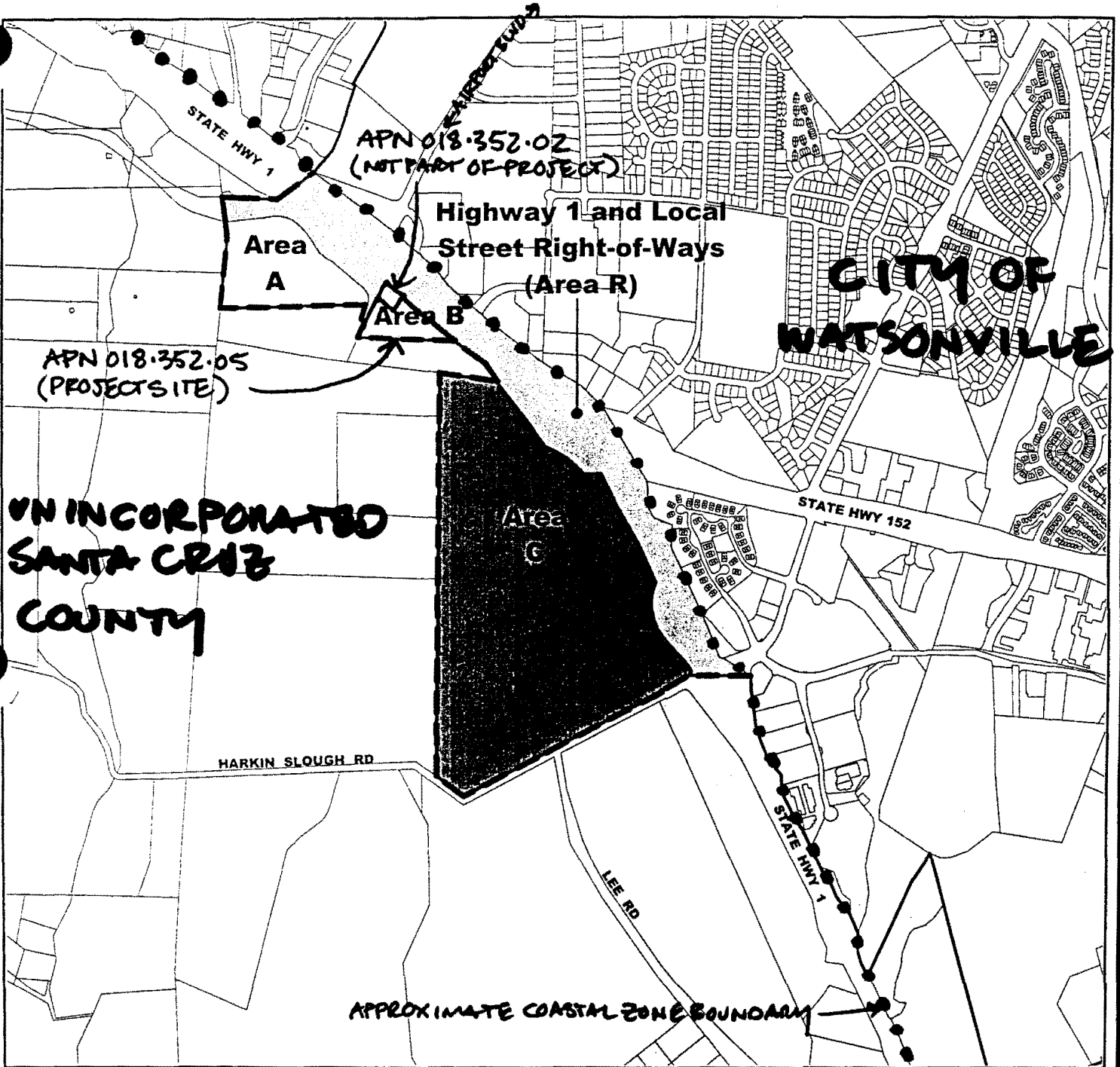
Therefore, and as detailed in the above findings, the Commission finds that the issues raised by the Appellant do not raise a substantial issue with respect to the City's decision to deny the utilities. As such, the Commission declines to take jurisdiction over the coastal development permit application for the proposed project.










CALIFORNIA COASTAL COMMISSION
EXHIBIT A: LOCATION MAP (1042)

Figure 1A: COASTAL ZONE AREA R - UTILITY PROHIBITION DISTRICT



Legend

-  Special Study Area
-  Highway 1 and Local Street Right-of-Ways (Area R)
-  Utility Prohibition Overlay District
-  City Limit
-  Parcels



1000 0 1000 Feet

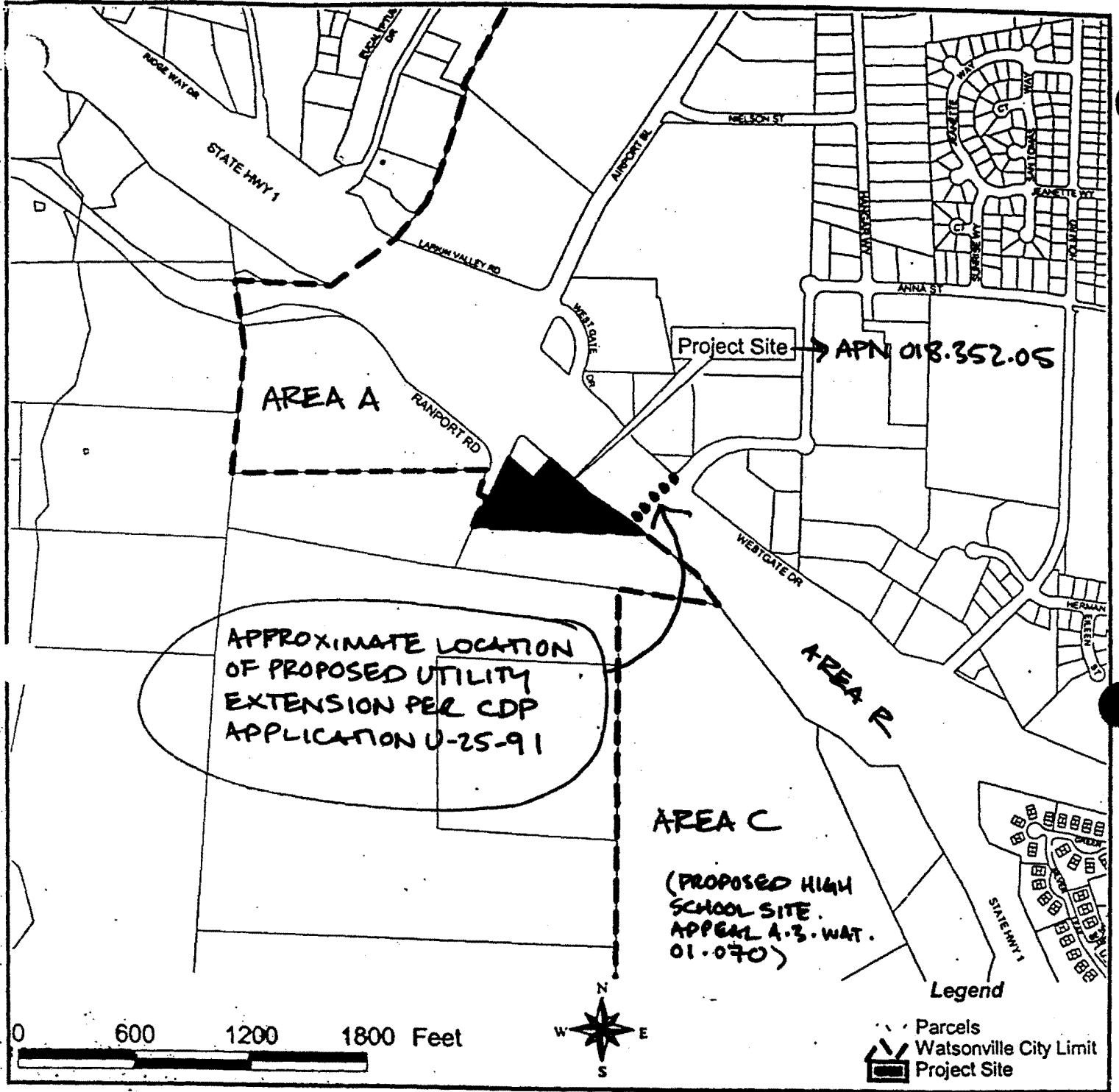


CALIFORNIA COASTAL COMMISSION
EXHIBIT A: LOCATION MAP (ZOFZ)

This Document is a graphic representation only of the best available sources. The City of Watsonville assumes no responsibility for any errors.

Photo Source: 1993 USGS ORTHOPHOTO

Site and Vicinity Map



Project: Pajaro Valley Inn

Applicant:

APN#: 018-352-05

PROJECT NO: U-13-89

LOCATION OF PROJECT: 821 Airport Blvd

Prepared by Watsonville GIS Center 4/3/01 C0DD0121

CALIFORNIA COASTAL COMMISSION
 EXHIBIT B: PROPOSED SITE PLAN
 (10/21)

ATTACHMENT 1
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CITY OF WATSONVILLE

CITY COUNCIL

Special Use Permit No. U-25-91

APN: 18-352-05

Applicant: Triad Associates

Hearing Date: July 25, 1991

Effective Date: July 25, 1991

Applicant: Triad Associates

Address: 2734 Chanticleer Avenue - Santa Cruz, CA 95065

Project: Extension of water and sewer lines from Larkin Valley Road/
Westgate Road to 821 Airport Boulevard

Location: 821 Airport Boulevard

Purpose: Provide water and sewer service to proposed motel facility

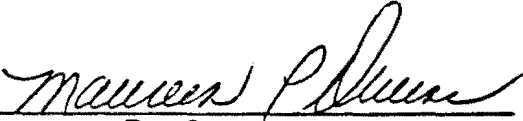
Property Owner: Robert & Aylene Pennel, Et.al. c/o Malcolm D. Moore
Trust

Address: 2734 Chanticleer Avenue - Santa Cruz, CA 95065

The Coastal Permit (Special Use Permit) No. U-25-91 requested by the applicant for the purpose stated above was reviewed at a public hearing held on July 23, 1991, by the City Council and was approved by adoption of City Council Resolution No. 264-91 (CM) together with Findings and Conditions, all attached hereto and made a part of this Coastal Permit (Special Use Permit).

CITY COUNCIL

CITY OF WATSONVILLE


Maureen P. Owens
Planning Director

Distribution: Applicant: Santa Cruz County Assessor, Planning Department, Building Department, all departments or agencies requiring conditions or considered affected by the issuance of the Special Use Permit.

CALIFORNIA COASTAL COMMISSION
EXHIBIT C: ORIGINAL CDP U-25-91 (10 PAGES)

6.1(c)
4851
~~4958~~
7-23-91

RESOLUTION NO. 264-91 (CM)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE APPROVING CONDITIONAL APPROVAL OF COASTAL DEVELOPMENT PERMIT/SPECIAL USE PERMIT NO. U-25-91 TO TRIAD ASSOCIATES

[Extension of water and sewer service lines Property located at 821 Airport Boulevard, Watsonville, California (APN 18-352-05)]

WHEREAS, Triad Associates have applied for Coastal Development Permit/Special Use Permit No. U-25-91 requesting permission for extension of water and sewer lines from Larkin Valley Road/Westgate Road to 821 Airport Boulevard, Watsonville, California; and

WHEREAS, Section 9-5.704 of the Watsonville Municipal Code (WMC Chapter 9-5), City Coastal Zone Implementation Plan provides that a motel may be constructed in Coastal Zone "B" upon the approval of a Coastal Development/Special Use Permit by the City Council of the City of Watsonville after special findings are made; and

WHEREAS, Section 9-5.705 of the Watsonville Municipal Code (WMC Chapter 9-5) requires that public sewer and water be provided to the site; and

WHEREAS, the proposed development is in conformity with the certified Local Coastal Program; and

WHEREAS, notice of time and place of hearing of the Coastal Development Permit/Special Use Permit was given in accordance with Chapter 9-5 of the Watsonville Municipal Code. The matter was called for hearing; evidence both oral and documentary was introduced, was received and the matter was submitted for decision.

CALIFORNIA COASTAL COMMISSION
EXHIBIT C: (2 OF 6)

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

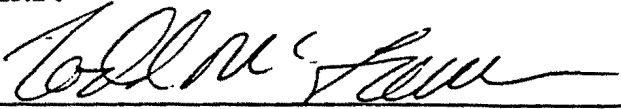
Good cause appearing therefore and upon the Findings attached hereto and marked Exhibit "A", and the Conditions attached hereto and marked Exhibit "B", the City Council of the City of Watsonville does hereby approve coastal Development/Special Use Permit No. U-25-91, to Triad Associations to extend water and sewer lines from Larkin Valley Road/Westgate Road to 821 Airport Boulevard, Watsonville, California.

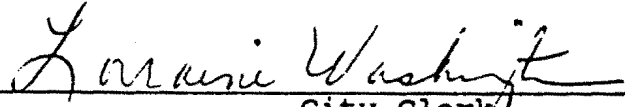
The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 23rd day of July, 1991, by Council Member Eves, who moved its adoption, which motion being duly seconded by Council Member Murphy, was upon roll call carried and the resolution adopted by the following vote:

AYES: COUNCIL MEMBERS: Bobeda, Eves, Milladin, Murphy, Rios, McFarren

NOES: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: Hurst


MAYOR

ATTEST:

City Clerk

APPROVED AS TO FORM:


City Attorney

CALIFORNIA COASTAL COMMISSION
EXHIBIT C: (3 OF 6)
2

CITY COUNCIL

Permit No.: U-25-91

APN: 18-352-05

Applicant: Triad Associates

Hearing Date: July 23, 1991

Effective Date: July 23, 1991

FINDINGS:

1. That the proposed development is consistent with the General Plan, the Watsonville Coastal Land Use Plan and the City's Coastal Zone Implementation Program.

Supportive Evidence:

The project will provide water and sewer services to the approved proposed 100 unit motel facility.

2. That the proposed development will protect vegetation, natural habitats and natural resources consistent with the Watsonville Coastal Land Use Plan.

Supportive Evidence:

The Final Pajaro Valley Inn EIR and the Final Subsequent Pajaro Valley Inn EIR outline the measures necessary to protect the vegetation, natural habitats and natural resources.

3. That such use meets the general requirements of Section 9-5.704 of Article 7 of Chapter 9-5 of the Municipal Code.

Supportive Evidence:

Motels (DLU 6802) are permitted in Coastal Zone "B" with the issuance of a Coastal Development/Special Use Permit and Section 9-5.705 of Chapter 9-5 of the Municipal Code requires that public sewer and water be provided to the site.

4. That the proposed development complies with the specific performance standards of Section 9-5.705 of Article 7 of Chapter 9-5 of the Municipal Code.

Supportive Evidence:

The proposed sewer and water service lines comply with the Coastal Zone Implementation Plan Performance Standards.

CALIFORNIA COASTAL COMMISSION

EXHIBIT C : (4 OF 6)

EXHIBIT A
Page 1 of 2

5. That all of the special findings can be made which are listed in Section 9-5.705 of Article 7 of Chapter 9-5 of the Municipal Code for each area.

Supportive Evidence:

The proposed project complies with each of the five special conditions and findings.

CALIFORNIA COASTAL COMMISSION
EXHIBIT C : (5026)

EXHIBIT A
Page 1 of 2

CITY COUNCIL

Permit No.: U-25-91

APN: 18-352-05

Applicant: Triad Associates

Hearing Date: July 23, 1991

Effective Date: July 23, 1991

CONDITIONS OF APPROVAL

General Conditions

1. This Use Permit shall be null and void if not acted upon within 12 months from the effective date of the approval thereof. Time extensions may be granted provided the applicant requests same at least thirty (30) days in advance of a regular City Council meeting.
2. After approval is granted, modifications to the project or to conditions imposed may be considered in accordance with Section 14.10.609 of the City Zoning Ordinance.
3. Approval is subject to making findings and supportive evidence in accordance with Section 14-10.607, with said Findings attached to and made a part of the approved Special Use Permit.
4. The project shall be in compliance with Use Permit conditions, all local codes and ordinances, Design Review Permit conditions, appropriate development standards, and current City policies. Any deviation will be grounds for review by the City and may possibly result in revocation of the Use Permit.
5. This Use Permit shall not be issued until after the time for filing an appeal. In the event of an appeal, issuance of this permit shall be withheld until after the final determination thereof by the City Council.
6. This approval applies to plans marked Pajaro Valley Inn received by the Planning Department on March 26, 1991.

Departmental Conditions:

1. The proposed extension of water and sewer service lines does not include service to the "future" restaurant shown on the site plan.
2. Applicant shall obtain an encroachment permit from Caltrans in accordance with their requirements.
3. For fire fighting purposes, the applicant shall provide an eight inch (8") loop water main or an onsite 5,000 gallon water storage tank.
4. To eliminate future requests for sewer access, a one foot (1') non-access strip around the perimeter of the property shall be recorded.

CALIFORNIA COASTAL COMMISSION
EXHIBIT C : (6 OF 6)

(7d-90)triad

EXHIBIT "B"

MEMORANDUM OF UNDERSTANDING

THIS AGREEMENT, is made and entered into this 9th day of July, 1991, by and between the COUNTY OF SANTA CRUZ, hereafter called "County", and the CITY OF WATSONVILLE, hereafter called "City".

RECITALS

WHEREAS, on January 22, 1991, the City certified the Final Subsequent Environmental Impact Report for the proposed 100 unit Pajaro Valley Inn (hereafter the "Inn") located at 821 Airport Boulevard, Watsonville, California; and

WHEREAS, on February 12, 1991, the City granted conditional approval to Coastal Development Permit/Special Use Permit No. U-13-89 (hereafter the "Permit") to Triad Associates for the development of the Inn; and

WHEREAS, the extension of utilities to serve the Inn constitutes a major public works project which is subject to the issuance of a separate Coastal Permit by City; and

WHEREAS, in the spirit of efficiency and cooperation, County and City both desire to enter into a written Memorandum of Understanding to specify certain duties and obligations and to resolve all differences or disputes between City and County concerning the proposed Inn.

CALIFORNIA COASTAL COMMISSION
EXHIBIT D: MOU (1054)

NOW, THEREFORE, THE PARTIES HEREBY AGREE AS FOLLOWS:

1. The Parties agree to the following interpretation of City Resolution No. 63-91(CM) Departmental Condition No. 39 of Exhibit "B", adopted on February 12, 1991, Departmental Condition No. 39 of said Resolution reads:

"Limit size of sewer lines to that necessary to serve the project, in accordance with City engineering requirements, and record a one-foot (1') non-access strip."

(a) That a six (6") inch pipe under the Caltrans right-of-way will be used to partially extend the sewer line to the Inn for maintenance considerations and to allow detection of problems with the use of a television camera.

(b) That a four (4") inch pipe will be used to complete the extension of the sewer line from the end of the six-inch sewer line to the Inn.

(c) That the one-foot non-access strip shall be jointly conveyed to the City, the County, and the California Coastal Commission if the Commission is agreeable.

2. The parties further agree that any permit for the extension of water and sewer lines to the Inn as well as any further extension of said lines would be considered a major public works project subject to the issuance of a Coastal Permit by the City and as such is appealable to the California Coastal Commission.

3. Provided that City complies with this Memorandum of Understanding, County agrees not to appeal City's approval of the

CALIFORNIA COASTAL COMMISSION
EXHIBIT D: MOU (2 OF 4)

Pajaro Valley Inn to the California Coastal Commission on any basis contained herein.

652

DATED: July 8, 1991

CITY OF WADSONVILLE

By: [Signature]
City Manager

DATED: June 28, 1991

COUNTY OF SANTA CRUZ

By: [Signature]
FRED KEELEY, Chair of the Board of Supervisors

APPROVED AS TO FORM:

[Signature]
City Attorney

APPROVED AS TO FORM:

[Signature]
DWIGHT W. HERR
County Counsel

CALIFORNIA COASTAL COMMISSION
EXHIBIT D (3 OF 4)

AMENDMENT TO MEMORANDUM OF UNDERSTANDING

The parties hereto agree to amend that certain Memorandum of Understanding dated July 8, 1991, by and between the COUNTY OF SANTA CRUZ and the CITY OF WATSONVILLE, by amending paragraph 1. Of that Memorandum of Understanding to read as follows:

"1. The parties agree to the following interpretation of City Resolution No. 63-91 (CM) Departmental Condition No. 39 of Exhibit "B", adopted on February 12, 1991, Departmental Condition No. 39 of said resolution reads:

'Limit size of sewer lines to that necessary to serve the project, in accordance with City engineering requirements, and record a one-foot (1') non-access strip.'

- (a) That an eight inch (8") pipe under the Caltrans right-of-way will be used to partially extend the sewer line to the Inn for maintenance considerations and to allow detection of problems with the use of a television camera.
- (b) That the one-foot non-access strip shall be jointly conveyed to the City, the County and the California Coastal Commission if the Commission is agreeable."

All other provisions of said Memorandum of Understanding shall remain the same.

Dated: 6-12-97

COUNTY OF SANTA CRUZ

By: Mardi Wormhoudt
Mardi Wormhoudt, Chair
Board of Supervisors

Approved as to form:

Dwight L. Herr
Dwight L. Herr, County Counsel

Dated: 5/12/97

CITY OF WATSONVILLE

By: Robert J. Johnson
City Manager

Approved as to form:

Alex Pejaro
City Attorney

s.pejaro2

CALIFORNIA COASTAL COMMISSION
EXHIBIT D: MOU (4 OF 4)

ATTACHMENT 3
Page 1 of 3

City of Watsonville

Endorsed for presentation to the City Council

MEMORANDUM

RECEIVED City Manager

[Signature]

DATE: May 30, 2001

JUN 21 2001

TO: Carlos J. Palacios, City Manager

CALIFORNIA COASTAL COMMISSION CENTRAL COAST AREA



FROM: *[Signature]* John T. Doughty, Community Development Director

SUBJECT: Public Hearing of Coastal Development/Special Use Permit Applications U-13-89 and U-25-91 for a 100-Unit Hotel Development with Conference Facilities and a Utility Extension at 821 Airport Boulevard.

AGENDA ITEM: June 12, 2001

City Council

RECOMMENDATION

Adopt Resolutions denying Coastal Development/Special Use Permit applications U-13-89 and U-25-91 based upon the findings and information contained in the Staff Report and provided at the Public Hearing.

BASIC PROJECT DATA

APPLICATION NO.'s: U-13-89 and U-25-91

LOCATION: 821 Airport Boulevard

A.P.N.: 18-352-05

PROJECT DESCRIPTION: Coastal Development/Special Use Permit applications to construct a 100-unit motel with conference facilities (U-13-89) and the associated extension of utilities (U-25-91) on a 4.2 acre site

GENERAL PLAN: Commercial

ZONING: CZ-B (Coastal Zone-Area B)

EXISTING USE: Vacant/non-cultivated

PROPOSED USE: Visitor accommodations

ADJACENT USES: Highways, row crops, open space, offices, misc. industrial

ADJACENT GENERAL PLAN: General Commercial, Public/Quasi-Public, Industrial, Coastal Zone, Transportation/Communications/Utilities

ADJACENT ZONING: CO (Office Commercial), IP (Industrial Park), TCU (Transportation, Communications, & Utilities), CZ-A (Coastal Zone, Sub Area A), and County Zoning of CA (Commercial Agriculture)

CALIFORNIA COASTAL COMMISSION

EXHIBIT E: CITY OF WATSONVILLE DENIAL STAFF REPORT FINDINGS (10P17)

LOT SIZE: 4.2 acres

CEQA REVIEW: An Environmental Impact Report and Mitigation Monitoring Program was certified on February 12, 1991, in compliance with CEQA requirements for the project.

PROPERTY OWNER: James Thompson, Triad Associates, 116 Frederick Street, Santa Cruz, CA, 95062

REPRESENTATIVE: Barbara Moore, Triad Associates, 128 Frederick Street, Santa Cruz, CA, 95062

BACKGROUND/CONTEXT

The two Coastal Development/Special Use Permit applications propose development of a 100-unit motel with conference facilities and the associated extension of utilities under Highway One to the site. The first of these two permits (U-13-89 for the motel and conference facilities) was originally approved and the Environmental Impact Report certified on February 12, 1991. The second permit (U-25-91 for the utility extension) was approved on July 23, 1991. A project Site and Vicinity Map is attached (see Attachment 1).

Since both permits were originally approved, a number of extensions have been requested by the applicant and approved by the City. In each case, prior to approving the requested extensions, the City Council considered whether the project remained consistent with the intent of the General Plan, Watsonville Coastal Land Use Plan, and the City's Local Coastal Implementation Program.

In 1998, the City Council approved an extension of U-25-91 which called for expansion of the proposed sewer line diameter from six to eight inches. The Coastal Commission objected to this expansion on the basis that the utility sizing was beyond that needed to serve the project. Consequently, on March 14, 2000, the City Council approved extensions for both permits with modified conditions of approval to reflect a six-inch diameter pipe size which was consistent with the original conditions for permit U-13-89 and the utility permit recognized by the Coastal Commission.

Following the March 14, 2000, City Council approval of the permit extensions, the City received a letter from the Coastal Commission (see Attachment 2) related to changed circumstances on the project site. In this letter, Coastal Staff indicated that the project site appeared to have wet areas that were not identified in the original EIR for the project and that reexamination of the project might be warranted. They also expressed concerns about processing irregularities relating to noticing requirements and requested that the motel permit be readvertised as an appealable Coastal Development permit.

On April 13, 2000, the City advised the applicant that changed circumstances on the motel site required additional consideration including preparation of a wetlands delineation study to determine if project modifications were needed to address the wetlands issue.

On August 22, 2000, the City Council extensively amended the City's Local Coastal Program (LCP) to address Coastal Commission concerns related to the Millenium High School project. The amendments were certified by the Coastal Commission in October of 2000. In part, the amendments established clear criteria for extending existing Coastal permits. The amendments state that a Coastal permit may be extended for one year after a duly noticed public hearing if the reviewing agency finds no change in circumstances affecting the project's consistency with the LCP. Absent that finding, the permit extension must be denied and a new hearing set to ascertain LCP consistency. Additionally, the amendments establish strict

EXHIBIT E (2017)

limitations on the utility extensions under Highway One in the Coastal Zone. Section 9-5.705 4 (ii) (ab) of the City's LCP limits the number of sewer line crossings of Highway One to a single point unless a series of difficult findings can be made

On April 24, 2001, the City Council adopted resolutions denying the requested extensions of permits U-13-89 and U-25-91 and scheduled a public hearing for June 12, 2001, to consider the original Coastal Development/Special Use Permit applications (U-13-89 and U-25-91).

DISCUSSION

Application Description:

- **U-13-89.** The Pajaro Valley Inn project, as it was originally called, consisted of a 100-room motel with conference facilities clustered in six buildings. A planned restaurant location, to be built at a later date, appears on the 1985 Site Plan (see Attachment 3).

The project Site Plan was changed in 1990 to reflect five two-story buildings in lieu of six clustered in a triangular configuration (see Attachment 4). Building three is proposed to contain 40 motel rooms while the three other buildings (Buildings 2, 4 and 5) will each contain 20. Each room is approximately 400 square feet in size. A swimming pool is planned in the center of the buildings. Building one contains the motel office, manager's unit and 3,600 square feet of conference area. One hundred six (106) parking spaces are proposed; Lot coverage (the amount of impervious surface) is 46 percent. A six-foot high landscaped masonry wall is planned along the Highway One frontage. Access is via Highway One off of Airport Boulevard.

Approximately 1.1 acres of land in the western quarter of the site is proposed for future commercial uses and a 150-seat restaurant.

- **U-25-91.** This application proposes extending water and sewer service lines to the proposed motel site (U-13-89). Currently, the application proposes extending the sewer line by using a six-inch diameter pipe. The water line will be extended by using an eight-inch diameter water main. The highway crossing would be achieved using a bore and jack method with 18-inch steel casing.

Zoning/General Plan/Local Coastal Plan Consistency:

A detailed analysis and determination of zoning, General Plan and LCP consistency is provided in the Resolution.

The zoning of the project site is Visitor Commercial (CV). The CV designation requires a Special Conditional Use Permit for motels. The site is designated Commercial in the City's General Plan.

The City's LCP has been the governing planning document for the subject property since the City received coastal permit authority from the California Coastal Commission in 1988. The LCP designation for the site is Agriculture as the permitted use and Visitor Serving Commercial as a conditional use (allowing hotels, motels, and restaurants subject to visitor serving commercial development criteria). The LCP, as recently amended, sets forth development criteria and performance standards for this property which is identified as Coastal Zone Area B in the LCP (see Attachment 5).

As previously indicated, the 100-unit motel project was initially approved and subsequently extended nine times based on findings of consistency with the City's General Plan, Local Coastal Plan, and LCP Implementation Program. However, during the last extension of permits, the California Coastal Commission indicated that changed circumstances had occurred on the site and the project was not approved

CALIFORNIA COASTAL COMMISSION
EXHIBIT E (30F17)

in 1991 (see Attachment 2). The City Council must concur with the Coastal Commission that changed circumstances exist. Changed circumstances for the motel project (U-13-89) would cloud the need for the utility extensions proposed by permit (U-25-91).

Environmental Review:

Although an EIR was prepared and certified for the proposed motel and conference uses and extension of utilities in 1991, several significant changes in circumstance have occurred since then requiring additional analysis and project evaluation. These changes and their impact on the project are documented in the Resolution.

CONCLUSION

Based on the analysis contained above and in the Resolution, Staff recommends that the City Council deny the proposed application to construct a 100-unit motel with associated conference facilities and the proposed application to extend utilities to said motel. In order to deny the Coastal Development Permit and Special Use Permit Applications, the City Council must find that the proposed use does not conform to the requirements and intent of the City's General Plan, the LCP and the LCP Implementation Program. Findings for denial are provided within Exhibit A of the Resolution.

Permit applications U-13-89 and U-25-91 could be resubmitted to the City as new applications that are responsive in design and substance to the issues raised in this Staff Report and by the City Council. In that case, revised findings would be forthcoming that could conceivably support the project. Alternatively, should the City Council deny applications U-13-89 and U-25-91, the applicant could appeal this action to the Coastal Commission since the Commission has indicated both Coastal Permit applications are appealable.

STRATEGIC PLAN

This project was approved and has been granted prior permit extensions because it met the economic objectives of the City's Strategic Plan. However, changed circumstances on the project site and modifications to the Local Coastal Program have prompted a recommendation for denial of the existing permits.

FINANCIAL IMPACT

Denial of permits U-13-89 and U-25-91 may reduce anticipated Transient Occupancy tax revenue by approximately \$160,000 per year.

ACTION

1. Staff Report
2. Public Hearing - Accept public testimony
3. Adopt Resolution

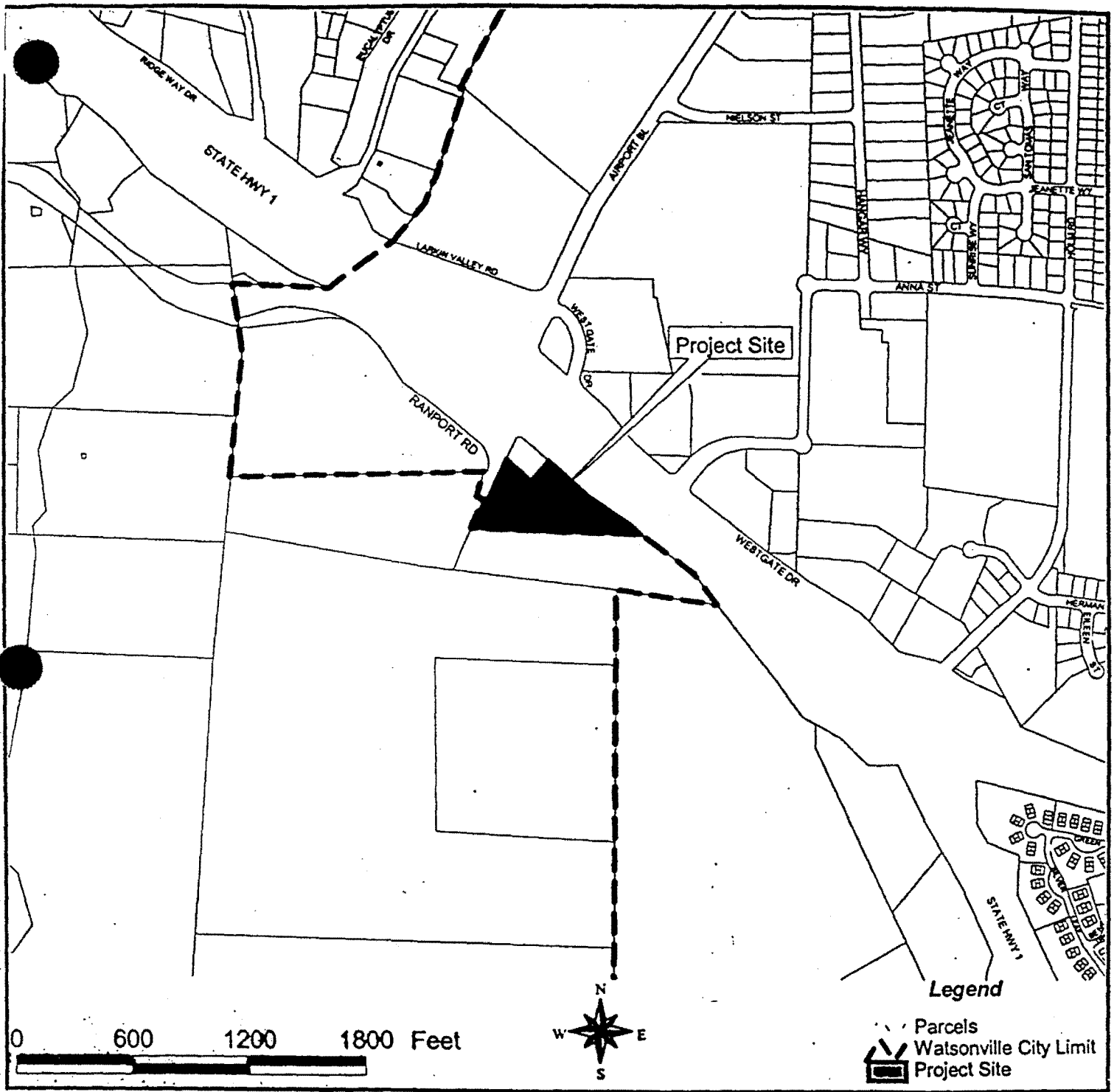
ATTACHMENT(S)

1. Site and Vicinity Map
2. Letter from Coastal Commission to John Doughty dated March 20, 2001
3. 1985 Proposed Site Plan
4. 1990 Proposed Site Plan
5. City of Watsonville Coastal Zoning Map

cc: City Attorney

CALIFORNIA COASTAL COMMISSION
EXHIBIT E (40F17)

Site and Vicinity Map



Project: Pajaro Valley Inn

Applicant: CALIFORNIA COASTAL COMMISSION
EXHIBIT E (SOP17)

APN#: 018-352-05

ATTACHMENT
Page of

PROJECT NO: U-13-89

LOCATION OF PROJECT: 821 Airport Blvd

Prepared by Watsonville GIS Center 4/3/01 C0DD0121

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
150 FRONT STREET, SUITE 300
MANTUA, CA 95060
PHONE: (831) 427-4863
FAX: (831) 427-4877

RECEIVED

RECEIVED

MAR 20 2001

JUN 21 2001



MARCH 19, 2001

CITY OF WATSONVILLE
CALIFORNIA Community Development Dept
COASTAL COMMISSION
CENTRAL COAST AREA

John Doughty, Director
City of Watsonville Community Development Department
P.O. Box 50000
Watsonville, CA 95077-5000

Subject: *City of Watsonville Coastal Permits for Pajaro Valley Inn (U-25-91 & U-13-89)*

Dear Mr. Doughty:

Thank you for meeting with my staff last week to discuss issues associated with the above-referenced City coastal permits and their irregular procedural history. The purpose of this follow-up letter is to clarify the current processing status of coastal permits U-25-91 & U-13-89. As you discussed with my staff, the notification of the City Council action to extend the subject coastal permits to February 25, 2001 was never completely finalized due to both noticing deficiencies and the City's desire to allow any applicable Coastal Commission appeal periods relevant to the Council's action to run concurrently. Subsequently, the Applicant for the subject coastal permits formally requested another coastal permit extension prior to the February 25, 2001 permit expiration date.

In light of the irregular procedural history associated with these coastal permits (as previously described in detailed correspondence between the City and the Commission), we agree that the best planning and public policy alternative at this time given the current circumstances is to accept that the permits were extended until February 25, 2001 and for the City to proceed with a hearing on the merits of the current extension request. That being said, we would again observe that the subject permits should not be extended in light of the changed set of circumstances since the permits were originally approved, including the newly identified wetland area present on the subject site. In addition, the best way to address the past procedural irregularities and to address site constraints consistent with the City's Local Coastal Program would be for the Applicant to pursue a revised project through a new coastal permit application with the City. Such an application would allow for design of a modified project, updating of any applicable environmental analyses, and evaluation of the project in light of the current circumstances applicable to this coastal zone site.

If you have any questions, please do not hesitate to contact Dan Carl of my staff at (831) 427-4893.

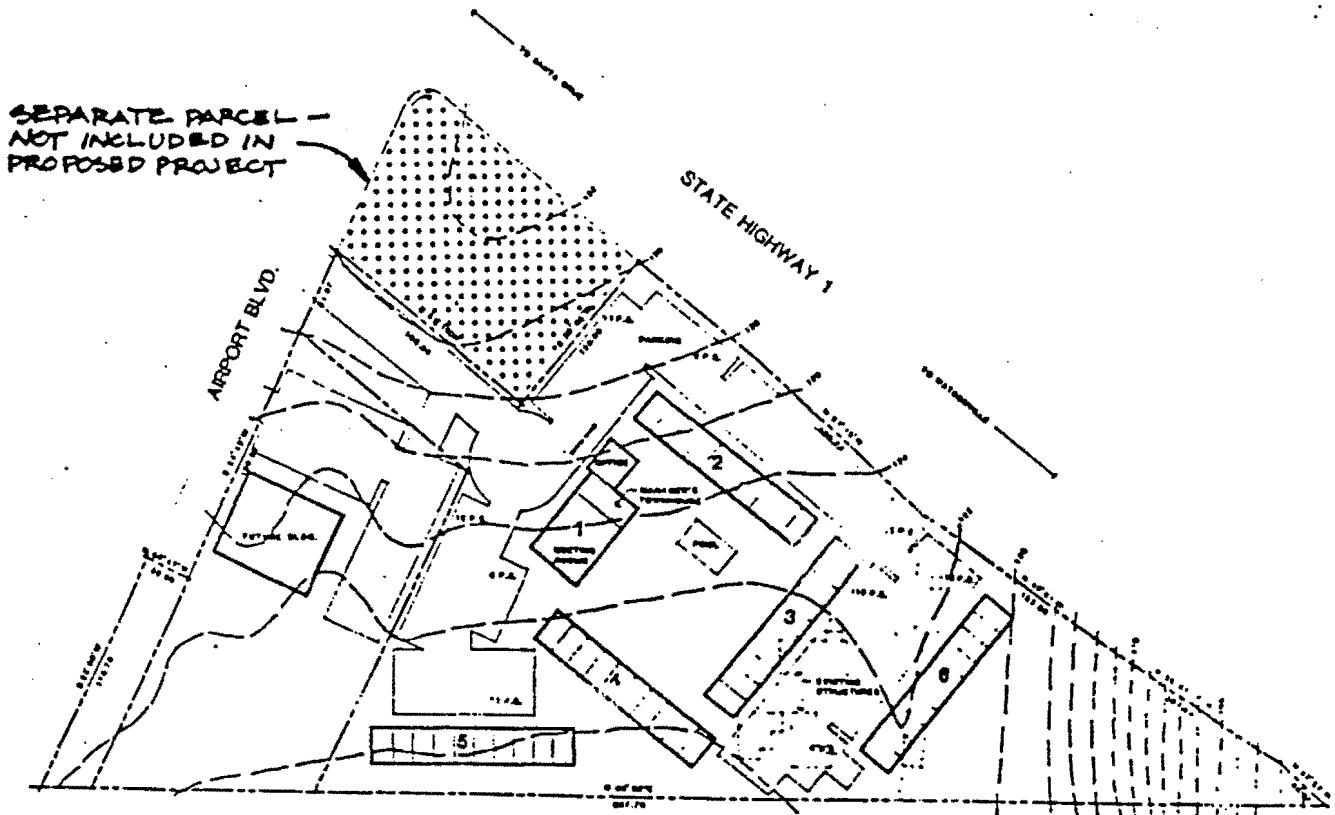
Sincerely,

Charles Lester
Central Coast District Manager

CALIFORNIA COASTAL COMMISSION
EXHIBIT E (6 OF 17)

ATTACHMENT 2
Page 1 of 7

cc: Barbara Moore, Triad & Associates (Applicant)



SCALE: 1" = 140'

CALIFORNIA COASTAL COMMISSION^S
 EXHIBIT E (70F17)

ATTACHMENT 3
 Page 1 of 1

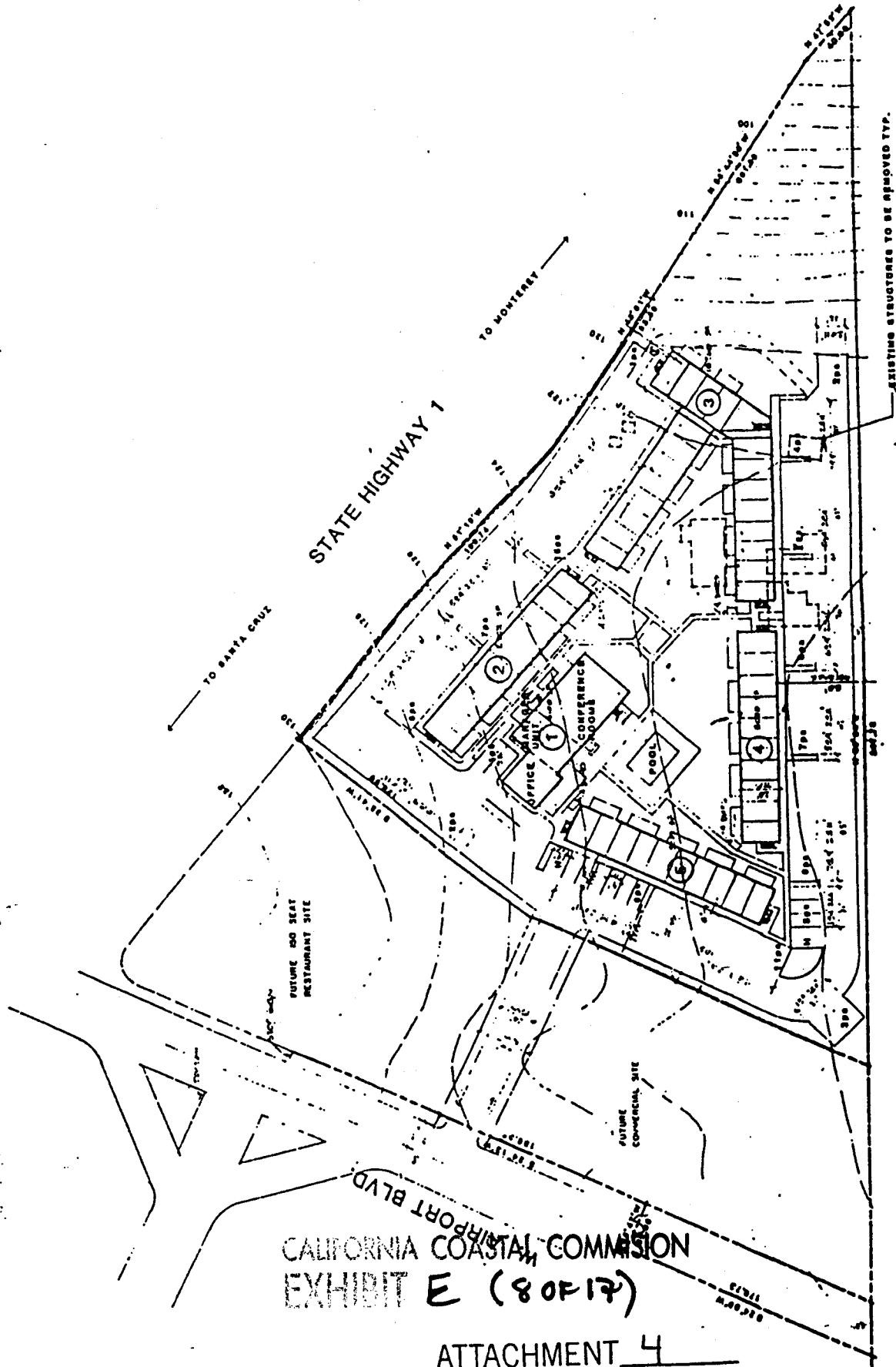
JOHN GILCHRIST
 AND ASSOCIATES



1985 Proposed Site Plan

FIGURE
 2

1990 PROPOSED SITE PLAN

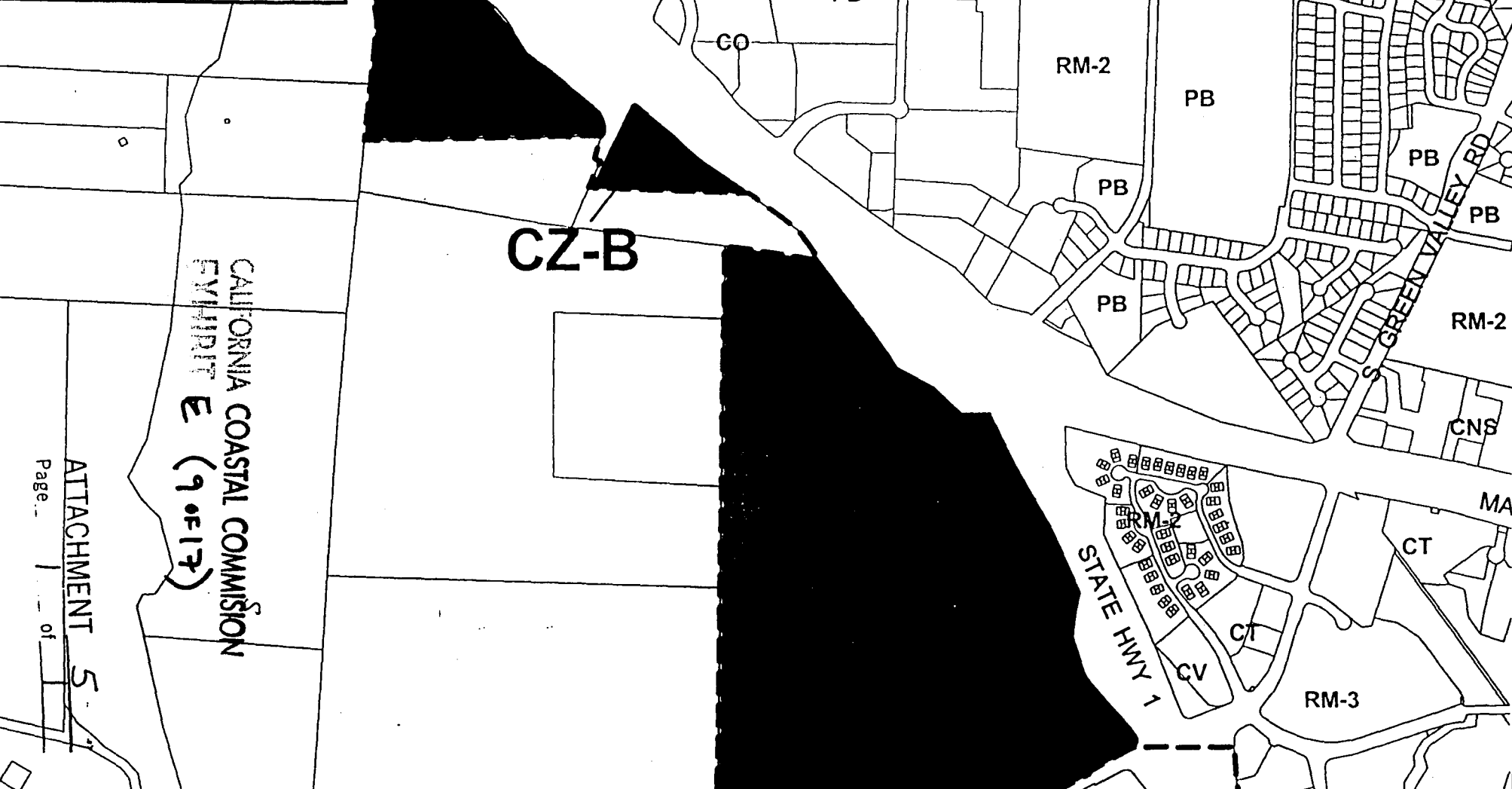


CALIFORNIA COASTAL COMMISSION
EXHIBIT E (8 OF 17)

ATTACHMENT 4
Page _____ of _____

SCALE: 1" = 110'

City of Watsonville
Coastal Zoning



CALIFORNIA COASTAL COMMISSION
EMDRPT E (9.0.F.17)

ATTACHMENT 5
Page 1 of 7

Legend

- Watsonville City Limit
- Parcels
- PD: Planned Development
- EM-OS: Environmental Management Open Space-Private Land
- CZ-A: Coastal Zone-A
- CZ-B: Coastal Zone-B
- CZ-C: Coastal Zone-C

1000 0 1000 2000 Feet

RECEIVED

JUN 21 2001

RESOLUTION NO. 144-01 (CM)

CALIFORNIA
COASTAL COMMISSION
GENERAL COAST AREA

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
WATSONVILLE DENYING COASTAL PERMITS/SPECIAL
USE PERMITS NO. U-13-89 AND NO. U-25-91 FOR THE
CONSTRUCTION OF A 100-ROOM MOTEL WITH
ASSOCIATED CONFERENCE FACILITIES AND EXTENSION
OF WATER AND SEWER SERVICE LINES AT 821 AIRPORT
BOULEVARD, WATSONVILLE, CALIFORNIA, FILED BY
TRIAD ASSOCIATES

[Project: Pajaro Valley Inn, APN 18-352-05]

WHEREAS, Triad Associates applied for Coastal Development/Special Use
Permits No. U-13-89 and U-25-91 for a 100-room motel with associated conference
facilities and extension of water and sewer service lines to be located at 821 Airport
Boulevard, Watsonville, California; and

WHEREAS, said Permit No. U-13-89 concerns the construction of a 100-room
motel with conference facilities and Permit No. U-25-91, the extension of water and
sewer service lines from Larkin Valley Road to 821 Airport Boulevard, Watsonville,
California; and

WHEREAS, Triad Associates applied for extension (01-10) of Coastal
Permit/Special Use Permit No. U-13-89, originally approved by Council Resolution No.
63-91(CM) on February 12, 1991, and thereafter extended for nine (9) additional one
(1) year periods by Resolution No. 71-92 (CM) on February 26, 1992, by Resolution
No. 37-93 (CM) on February 9, 1993, by Resolution No. 103-94 (CM) on April 26,
1994, by Resolution 65-95 (CM) on February 28, 1995, by Resolution No. 118-96
(CM) on April 9, 1996, by Resolution 55-97 (CM) on February 25, 1997, by

Reso No. 144-01 (CM)
L:\COUNCIL\2001 Meetings\061201\Triad U-13-89 U-25-91 Den
bvf 2:59 pm 6/13/01

CALIFORNIA COASTAL COMMISSION
EXHIBIT E (10 of 17)

1 }
STATE OF CALIFORNIA }
COUNTY OF SANTA CRUZ }
I LORRAINE WASHINGTON, CLERK OF THE CITY OF WATSONVILLE IN THE COUNTY OF
CRUZ, STATE OF CALIFORNIA, HEREBY CERTIFY THAT THE ATTACHED RESOLUTION NO. 144-01
IS A TRUE AND CORRECT COPY OF THE ORIGINAL OF SAID RESOLUTION AS IT APPEARS UPON
THE OFFICIAL RECORDS OF SAID CITY OF WATSONVILLE.
DATED: 6/19, 2001
Lorraine Washington
CITY CLERK OF THE CITY OF WATSONVILLE

Resolution No. 60-98 (CM) on March 10, 1998, and by Resolution No. 93-99 (CM) on March 23, 1999, and by Resolution 72-00 (CM) March 14, 2000; and

WHEREAS, Triad Associates also applied for extension (01-10) of Coastal Permit/Special Use Permit No. U-25-91, originally effective August 10, 1991, adopted by the Council of the City of Watsonville pursuant to Resolution No. 264-91(CM) on July 23, 1991, and thereafter extended for nine (9) additional one (1) year periods by Resolution No. 231-92 (CM) on July 14, 1992, by Resolution No. 217-93 (CM) on July 27, 1993, by Resolution No. 102-94 (CM) on April 26, 1994, by Resolution 64-95 (CM) on February 28, 1995, by Resolution No. 119-96 (CM) on April 9, 1996, by Resolution 56-97 (CM) on February 25, 1997, by Resolution No. 61-98 (CM) on March 10, 1998, and by Resolution No. 94-99 (CM) on March 23, 1999, and by Resolution 73-00 (CM) on March 14, 2000; and

WHEREAS, Subsection (b) of Section 9-5.413 of the Watsonville Municipal Code was modified on September 12, 2000, by Ordinance 1096-00 (CM) to only allow Coastal Permits to be extended for an additional period not to exceed twelve (12) months if it can be found that no changed circumstances have made the project inconsistent with the policies of the Local Coastal Program after a public hearing by the Council to consider such an extension; and

WHEREAS, the City of Watsonville filed Final Action Notices on the extension of permits U-25-91 and U-13-89 on March 28, 2000 in accordance with Coastal Commission procedures; and

CALIFORNIA COASTAL COMMISSION
PERMIT E (11 OF 17)

WHEREAS, the California Coastal Commission issued a Notification of Deficient Notice on April 5, 2000 for permit U-13-89 (the 100-room hotel) because Coastal Commission staff identified a changed circumstance which included an unmapped wetland on the site which would affect the design of the hotel and requested that the project be readvertised as an appealable item; and

WHEREAS, revisions recently adopted to the Local Coastal Program ("LCP") prevent additional extension of permits that are found to have changed circumstances that may affect the consistency of the development with the LCP; and

WHEREAS, unmapped wetlands have been identified in the southwestern corner of the site and the recent LCP amendment has established new agricultural buffer requirements affecting applicant's property and other's which constitute a changed circumstance that make the current project inconsistent with policies of the LCP; and

WHEREAS, on April 24, 2001, the Council adopted Resolutions No. 101-01 (CM) and 102-01 (CM) denying a request for extension of such permits; and

WHEREAS, notice of time and place of hearing of the Coastal Permit/Special Use Permits No. U-13-89 and U-25-91 was given in accordance with Chapter 9-5 of the Watsonville Municipal Code; the matter called for hearing, evidence both oral and documentary introduced and received; and the matter submitted for decision; and

WHEREAS, due to changed circumstances of the project that make it inconsistent with the LCP, it is deemed in the best interest of the City of Watsonville to deny Coastal Permit/Special Use Permits No. U-13-89 and U-25-91.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

Good cause appearing therefore and upon the Findings attached hereto and marked Exhibit "A," the City Council of the City of Watsonville does hereby deny Coastal Permit/Special Use Permits No. U-13-89 and U-25-91 to Triad Associates for the construction of a 100 unit hotel and conference facility and extension of water and sewer service lines at 821 Airport Boulevard, Watsonville, California.

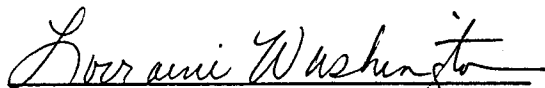
The foregoing resolution was introduced at a regular meeting of the Council of the City of Watsonville, held on the 12th day of June, 2001, by Council Member de la Paz, who moved its adoption, which motion being duly seconded by Council Member Phares, was upon roll call carried and the resolution adopted by the following vote:

AYES:	COUNCIL MEMBERS:	de la Paz, Doering-Nielsen, Gomez, Phares, Carter
NOES:	COUNCIL MEMBERS:	Bobeda
ABSENT:	COUNCIL MEMBERS:	Lopez



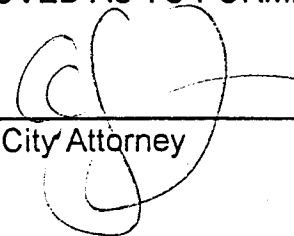
Charles E. Carter, Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

Application No.: U-13-89 & U25-91
A.P.N.: 18-352-05
Applicant: Triad Associates
Hearing Date: June 12, 2001

RECEIVED

JUN 21 2001

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA
SPECIAL USE PERMIT FINDINGS FOR DENIAL

1. That the proposed development is inconsistent with the General Plan, the Watsonville Coastal Land Use Plan (LCP) and the Watsonville Coastal Zone Implementation Program. Although the project was found to satisfy this criterion when approved in 1991, the project is now found inconsistent with the City's Coastal Land Use Plan and Coastal Zone Implementation Program as amended due to:
 - a) noncompliance with the LCP's 200-foot agricultural buffer requirement;
 - b) failure to provide a wetland delineation study and in its absence, noncompliance with LCP wetland protection policies the 100' setback requirement;
 - c) failure of the project and Environmental Impact Report documents to acknowledge changed circumstances on and affecting the subject property (such as possible existence of the Santa Cruz tarplant and applicable Federal Aviation Administration (FAA) regulations/municipal airport plans/operations);
 - d) noncompliance with the LCP's 100-foot environmentally sensitive habitat area buffer requirement;
 - e) failure to acknowledge changes in local, regional and cumulative traffic impacts;
 - f) failure to assess currently viable, existing developed area alternatives for the proposed visitor-serving project;
 - g) failure to produce an agricultural viability report to justify agricultural land conversion; and
 - h) noncompliance with the terms of the Utility Prohibition Overlay District.
2. That the proposed development will not protect vegetation, natural habitats and natural resources consistent with the Watsonville Coastal Land Use Plan, in that the Final Pajaro Valley Inn EIR and the Final Subsequent Pajaro Valley Inn EIR

CALIFORNIA COASTAL COMMISSION
EXHIBIT E (150F17)

Attachment/Exhibit to: Resolution No. <u>144-01</u> (CM)

EXHIBIT A
Page 1 of 3

fail to outline the measures necessary to protect the vegetation, natural habitats and natural resources on the site. Work began on these documents nearly 13 years ago and much of the data and analysis is outdated. In addition, the document conclusions predate recent amendments to the City's LCP and implementing regulations so that current LCP policies and requirements are not addressed by the project and/or environmental assessments of the project.

3. That the proposed development does not comply with the specific performance standards of Section 9-5.705 of Article 7 of Chapter 9-5 of the Municipal Code, in terms of size and lot coverage. The subject property is 4.2 acres in size, less than the five-acre minimum lot area required. The Final Subsequent EIR indicates that the project proposes a 46 percent lot coverage by impervious surfaces, however, after subtraction of any wetland or Environmentally Sensitive Habitat Areas from the site area, the resultant lot coverage calculation will likely exceed the 50 percent maximum under current design.
4. None of the Five Special Findings can be made which are listed in amended Section 9-5.705 of Article 7 of Chapter 9-5 of the Municipal Code can be made.
 - Special Finding 1. For nonagricultural uses, an agricultural viability report has been prepared which indicates that continued agricultural use is demonstrated to be infeasible. *The permit applications propose a nonagricultural use. An agricultural viability report has **not** been prepared demonstrating the infeasibility of agricultural uses as is required for the proposed non-agricultural use.*
 - Special Finding 2. That public sewer and water services, if necessary, can and will be provided to the site and only if such services are the minimum size necessary to serve the permitted development, provided by only one City sewer and water line under Highway One north of Beach Road; for example, this connection must be shared by any development on Area C that also is allowed public sewer and/or water service unless all of the following occur:
 - a) Caltrans will not allow the placement of a utility line to be installed in the Caltrans' right-of-way within the City limits; -
 - b) the City makes a finding that there is a one foot non-access strip surrounding any pipelines through County land which prohibits any tie-ins to the lines and which is dedicated to a nonprofit agency;
 - c) the City makes a finding that any pipelines through County lands are located inland of the Santa Cruz County Utility Prohibition Overlay District adopted pursuant to the Memorandum Of Understanding (MOU) required by City of Watsonville Local Coastal Amendment 1-99;

CALIFORNIA COASTAL COMMISSION

EXHIBIT E (16 OF 17)

Attachment/Exhibit to: Resolution No. <u>144-01</u> (CM)

EXHIBIT	<u>A</u>
Page	<u>2</u> of <u>3</u>

- d) the utility line(s) through the County is (are) found consistent with the County local coastal program and have received an appealable County Coastal Permit; and
- e) the connecting lines within the City limits comply with all other applicable provisions of this ordinance; and applied for as specified in Section 9-5705(g)(10). *No evidence has been provided indicating that the proposed utility connections meet the minimum size requirements of this Finding. Both this project and the proposed Millennium High School are each proposing utility crossings of Highway One to service their respective developments. However, the LCP as amended dictates that there be only one Highway One crossing for a utility connection, and that the connection be shared by both Coastal Zone Area C (the proposed Millennium School site) and Area B (the subject property) unless several rigorous conditions are met. The City's Public Works Department prefers that the location of the single crossing of Highway One be at Harkins Slough Road and Technology Drive (the High School proposal) not at Larkin Valley and Airport Boulevard (proposed by U-25-91) based on existing facilities and overall capacity issues.*
- Special Finding 3. That the proposed facility could not be located in an existing developed area. *No analysis more recent than the 1990 Final Subsequent EIR has been submitted to assess whether the proposed project could be located to an existing developed area. Given the City's rate of development over the last decade, this 1990 EIR fails to meet the necessary LCP performance standard.*
 - Special Finding 4. That the development will utilize topographical shielding and/or dense planting to minimize impact upon views from Highway One. *No plans for dense planting has been proposed by the project to meet the LCP screening standard. Thus, the standard is not satisfied.*
 - Special Finding 5. A field search for the endangered Santa Cruz Tarweed will be conducted by a qualified botanist during the time of year in which the plant is expected to be in bloom (between June and October) on the parcel(s) in question before approval of any development. The report of such field investigation shall be forwarded to the State Department of Fish and Game for evaluation. If any portion of the site is confirmed to be an endangered plant habitat, such area shall be treated as environmentally sensitive habitat, kept in a natural state, and protected from the intrusion of humans, erosion, vehicular traffic and other activities which could significantly disrupt the habitat. *No field search for the Santa Cruz Tarweed has occurred since the 1990 EIR.*

CALIFORNIA COASTAL COMMISSION
EXHIBIT E (17 OF 17)

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Attachment/Exhibit to: Resolution No. <u>144-01</u> (CM)

EXHIBIT A
Page 3 of 3

STATE OF CALIFORNIA - THE RESOURCES AGENCY

DIRVE LANDRY

Gray Davis, Governor

CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
(831) 427-4863



**APPEAL FROM COASTAL PERMIT
DECISION OF LOCAL GOVERNMENT**

Please review attached appeal information sheet prior to completing this form.

SECTION I. Appellant(s):

Name, mailing address and telephone number of appellant(s):

TRIRD ASSOCIATES
PO BOX 2472
SANTA CRUZ, CA 95062
(831) 457-8420
Zip Area Code Phone No.

SECTION II. Decision Being Appealed

1. Name of local/port government:

CITY OF WATSONVILLE

2. Brief description of development being appealed:

EXTENSION OF UTILITIES TO 100 UNIT
MATEC
PREVIOUSLY APPROVED PERMIT CDP U-25-91
HAS BEEN REVOKED

3. Development's location (street address, assessor's parcel number, cross street, etc.):

821 AIRPORT BLVD WATSONVILLE
APN 18-352-05

4. Description of decision being appealed:

- a. Approval; no special conditions: _____
- b. Approval with special conditions: _____
- c. Denial: EXTENSION OF UTILITIES

Note: For jurisdictions with a total LCP, denial decisions by a local government cannot be appealed unless the development is a major energy or public works project. Denial decisions by port governments are not appealable.

TO BE COMPLETED BY COMMISSION:

APPEAL NO: A.3.WAT.01.067
DATE FILED: 7/6/2001
DISTRICT: CENTRAL COAST

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JUL 05 2001

CALIFORNIA COASTAL COMMISSION
EXHIBIT F: APPEAL (1003)

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

APPEAL FROM COASTAL PERMIT DECISION OF LOCAL GOVERNMENT (PAGE 2)

5. Decision being appealed was made by (check one):

a. Planning Director/Zoning Administrator

c. Planning Commission

b. City Council/Board of Supervisors

d. Other: _____

6. Date of local government's decision: JUNE 12, 2001

7. Local government's file number: COASTAL PERMITS U-13-89 #U-25-91

SECTION III Identification of Other Interested Persons

Give the names and addresses of the following parties: (Use additional paper as necessary.)

a. Name and mailing address of permit applicant:

TRIRD ASSOCIATES
PO BOX 2472
SANTA CRUZ CA 95062

b. Names and mailing addresses as available of those who testified (either verbally or in writing) at the city/county/port hearings (s). Include other parties which you know to be interested and should receive notice of this appeal.

(1) LADRENCE VOSTY
2269 CHESTNUT ST #1909
SAN FRANCISCO, CA 94123

(2) _____

(3) _____

(4) _____

SECTION IV. Reasons Supporting This Appeal

Note: Appeals of local government coastal permit decisions are limited by a variety of factors and requirements of the Coastal Act. Please review the appeal information sheet for assistance in completing this section which continues on the next page.

APPEAL FROM COASTAL PERMIT DECISION OF LOCAL GOVERNMENT (PAGE 3)

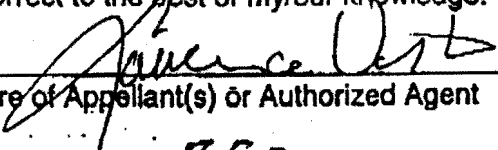
State briefly your reasons for this appeal. Include a summary description of Local Coastal Program, Land Use Plan, or Port Master Plan policies and requirements in which you believe the project is inconsistent and the reasons the decision warrants a new hearing. (Use additional paper as necessary.)

PERMIT U-25-91 WAS REVOKED BY CITY OF WATSONVILLE AS A TRADE-OFF FOR GRANTING EXTENSION OF UTILITIES TO HIGH SCHOOL SITE. THIS PERMIT WAS THE SUBJECT OF AN MDU AND HAD IMPOSED A 10' NON-ACCESS STRIP TO PREVENT EXTENSION OF UTILITIES BEYOND USE PROPOSED. IF THERE FORCE HAD NO GROWTH-INDUCING IMPACTS THE CCP WAS MODIFIED WITHOUT PROPER NOTICE TO US.

Note: The above description need not be a complete or exhaustive statement of your reasons of appeal; however, there must be sufficient discussion for staff to determine that the appeal is allowed by law. The appellant, subsequent to filing the appeal, may submit additional information to the staff and/or Commission to support the appeal request.

SECTION V. Certification

The information and facts stated above are correct to the best of my/our knowledge.


Signature of Appellant(s) or Authorized Agent
Date 7-5-01

NOTE: If signed by agent, appellant(s) must also sign below.

SECTION VI. Agent Authorization

I/We hereby authorize _____ to act as my/our representative and to bind me/us in all matters concerning this appeal.

CALIFORNIA COASTAL COMMISSION
EXHIBIT F: APPEAL Signature of Appellant(s)
(3 OF 3) Date _____