

1 the Zoning Ordinance text as specified by this Exhibit.

2 2. Provisions of Exhibit "A", as incorporated, have been included for informational
3 purposes only and reflect the amended sections of the Zoning Ordinance No. 095-006 which
4 have been stricken, removed or otherwise modified by the enactment of this Ordinance.

5 3. Notice is hereby given that the time within which judicial review must be sought
6 on this decision is governed by Government Code section 65009(c)(1)(B) and 65860(b) and
7 runs from the date of adoption of this Ordinance.

8 4. The Ordinance shall not be codified.

9 5. This amendment to the Zoning Ordinance adopted in this Ordinance shall
10 become effective upon the effective date of Local Coastal Plan Amendment-200-07.

11 6. The City Clerk of the City of Oceanside is hereby directed to publish the title of
12 this Ordinance and a summary of Exhibit "A" once within fifteen (15) days after its passage in
13 the North County Times, a newspaper of general circulation published in the City of Oceanside.
14 This Ordinance shall take effect and be in force on the thirtieth (30) day from and after its final
15 passage.

16 INTRODUCED at a regular meeting of the City Council of the City of Oceanside,
17 California, held on the 11th day of April 2007, and, thereafter,

18 PASSED AND ADOPTED by the Oceanside City Council on this 18th day of April, 2007,
19 by the following vote:

20 AYES: WOOD, CHAVEZ, FELLER, KERN, SANCHEZ

21 NAYS: NONE

22 ABSENT: NONE

23 ABSTAIN: NONE

24

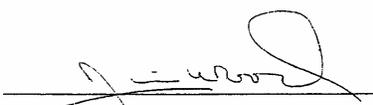
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26 ATTEST:

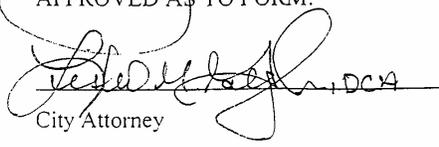
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28

Jolly Prokough, ASST.
City Clerk


Mayor of the City of Oceanside

APPROVED AS TO FORM:


City Attorney

Ordinance No. 07-OR0236-1
4/18/07 (25)

EXHIBIT "A"

NEW

Article 12 D Downtown District

Sections:

1210	Specific Purposes
1220	Land Use Regulations by Subdistrict
1230	Development Regulations
1240	Review of Plans
1250	Amendments

1210 Specific Purposes

In addition to the general purposes listed in Article 1, the specific purposes of the D Downtown District are to:

- A. To promote the long-term viability of and rejuvenation of the Redevelopment Project Area and to protect and enhance primarily boating and water-dependent activities; and secondarily other public-oriented recreation uses in the Oceanside Small Craft Harbor
- B. Maintain and enhance an appropriate mix of uses; and
- C. Provide land-use controls and development criteria consistent with the General Plan, the Redevelopment Plan, and the Local Coastal Program.

Consistent with these purposes, it is the intent of the D District to establish special land-use subdistricts with individual objectives as described below.

Subdistrict 1: To provide a commercial/retail and office complex offering a wide variety of goods and services to both the community at large and to tourists and visitors. Residential uses are encouraged when and where appropriate.

Subdistrict 1(A): To provide a commercial/retail and office complex promoting the conservation, preservation, protection, and enhancement of the historic district and to stimulate the economic health and visual quality of the community to tourists and visitors. Residential uses are encouraged when and where appropriate.

Subdistrict 2: To provide sites for a financial center, supported by professional offices. *Residential Uses are permitted when and where appropriate as part of a Mixed-Use Development.*

Subdistrict 3: To provide for a mix of office development, interspersed with residential development, in response to market demands.

Subdistrict 4(A): To provide a mix of transient and permanent residential uses along the South Strand between Tyson and Wisconsin streets.

Subdistrict 4(B): To provide transient and permanent residential uses (hotels and motels) in close proximity to the beach and recreational facilities.

Subdistrict 5: To provide a high-density residential neighborhood in an urban setting in close proximity to shopping, employment, transportation and recreational facilities.

Subdistrict 5(A): To provide a medium-density residential neighborhood at South Pacific Street with an urban setting in close proximity to shopping, employment, transportation and recreational facilities.

Subdistrict 6(A): To provide sites for highway business and tourist/visitor uses related to the harbor and the Interstate 5 freeway, primarily oriented to visitor-serving commercial establishments.

Subdistrict 6(B): To provide sites for highway business and tourist/visitor uses related to the harbor and the Interstate 5 freeway, primarily oriented to recreational commercial facilities. Residential uses are allowed as part of a mixed use project.

Subdistrict 6(C): To provide sites for uses supporting the Oceanside Small Craft Harbor, consistent with the Harbor Precise Plan.

Subdistrict 6(D): To provide a recreational facility for the purpose of boating-oriented and park-oriented passive and active recreation, and appropriate ancillary commercial and residential uses consistent with the Harbor Precise Plan.

Subdistrict 7(A): To provide sites for a high-density residential environment in an urban setting in close proximity to shopping, employment, transportation and recreational facilities.

Subdistrict 7(B): To provide for a mix of recreational and commercial uses conveniently located near recreational and residential areas. Residential uses are allowed as part of a mixed use project.

Subdistrict 8(A): To provide a mix of hospital and medical uses.

Subdistrict 8(B): To provide a mix of hospital and medical uses, office development, interspersed with residential development in response to market demand.

Subdistrict 9: To provide opportunities for commercial uses supporting other land uses within the downtown and serving the entire community. Residential uses are encouraged where appropriate.

Subdistrict 10: To provide a joint open space and recreational area within the floodplain of the San Luis Rey riverbed.

Subdistrict 11: To provide sites for commercial uses serving the adjacent residential neighborhood.

Subdistrict 12: To provide a special tourist/visitor oriented subdistrict that relates to the pier, ocean, beach, marina and freeway.

Subdistrict 13: To provide for a mix of visitor/commercial and office uses. Residential uses are allowed as part of a mixed use project.

Subdistrict 14: To provide for public transportation and railway uses.

Subdistrict 15: To provide for public facilities, public parks, open spaces, and other public oriented uses.

1220 Land Use Regulations by Subdistrict

In Schedule D-1, the letter "P" designates use classifications permitted in the D Downtown District. The letter "U" designates use classifications permitted on approval of a Conditional Use Permit upon approval by the Community Development Commission. The letter "C" designates use classifications permitted upon approval of an administrative Use Permit upon recommendation of the Redevelopment Advisory Committee. The letter "V" designates uses that are considered to be visitor severing uses. The "" designates use classifications that are not permitted.*

1230 Development Regulations

The following schedule prescribes development regulations and standards for the D District. Where literal interpretation and enforcement of the development regulations and standards result in undue hardship, practical difficulties or consequences inconsistent with the purposes of these regulations and the Redevelopment Plan, the Community Development Commission may grant a variation. A variation shall not be granted which will change the land uses of the Redevelopment Plan for allow any increase in the maximum height set forth in Additional Development Regulations sub-section (N). Any variation granted with respect to density or intensity of land use, or any variation granted which permits a greater than a 10% reduction in parking requirements above the base development regulations of Article 12 "D" Downtown District shall require a Local Coastal Program Amendment. The Community Development Commission may approve an application for a variation as it was applied for or in modified form as required by the Community Development Commission if, on the basis of the application, plans, materials, and testimony submitted, the Community Development Commission finds:

- 1) The application of certain regulations and/or standards would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the Redevelopment Plan.
- 2) There are exceptional circumstances or conditions applicable to the property or to the intended development of the property that do not apply generally to other properties having the same requirements, limits, restrictions, and controls.
- 3) Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area.
- 4) Permitting a variation will not be contrary to the objectives of the Redevelopment Plan.

In permitting any such variation the Community Development Commission shall impose such conditions as are necessary to protect the public health, safety, or welfare, and to assure compliance with the purposes of the Redevelopment Plan.

1231 Transit Oriented Development

The downtown core commercial area is designated a Transit Overlay District (TOD). The location, design, configuration, and mix of uses in the TOD provides an alternative to traditional development by emphasizing a pedestrian-oriented environment and reinforcing the use of public transportation. The TOD's mixed-use clustering of land uses within a pedestrian-friendly area connected to transit, provides for growth with minimum environmental costs.

The core Downtown's underlying commercial use designation and proximity to the Oceanside Transit Center provide a unique opportunity to create a pedestrian-oriented environment. The establishment of such an area is to encourage a mix of commercial retail, professional office and residential uses which will encourage an efficient pattern of development that supports alternative modes of travel.

Mixed-use projects within the TOD require a Mixed-Use Development Plan. TODs represent a land use strategy, which seeks to strike a balance between resolving today's critical transportation issues and allowing freedom of movement and choice of travel

mode. Although focused on reinforcing transit, the mixed-use and walkable neighborhoods developed should equally support carpools, bus, biking, walking, and more efficient auto use.

Quality of design will be evaluated upon the basis of the projects ability to incorporate specific amenities that encourage alternate travel modes (i.e. bike lockers/racks, employee locker rooms/showers, preferred car/van pool parking). Parking reductions will be considered for those mixed-use projects which can demonstrate a varied peak parking demand for each use by time of day and/or day of the week (see Section (W) 4 and 5.

**DOWNTOWN DISTRICT
PROPERTY DEVELOPMENT REGULATIONS**

	Basic Requirements	Additional Regulations
Residential Development		(II)(JJ)(KK)
Base Density:		(C)(D)
Site Area Per Unit (sq. ft.)	1,500	
Maximum Potential Density: Site Area Per Unit (sq. ft.)	1,000	(C)(D)
Minimum Lot Area (sq. ft.)	5,000	(A)(B)(E)
Minimum Lot Width (ft.)	50	(E)
Minimum Setbacks:		(E)(G)(L)
Front (ft.)	10	(H)(K)
Side (ft.)	3' for lots, 75' wide or less except where courts are required; 10' from one side-lot line for lots greater than 75' wide or as required for courts.	
Corner Side (ft.)	10	(H)(J)(K)
Rear (ft.)	5; and as required for courts	(I)(K)
Maximum Height of Structures (ft.)	35	(M)(N)(O)
Signs	See Article 33	(GG)
Public Access to the Beach		(HH)
Minimum Site		

Landscaping	25%	(P)(Q)
Vehicular Access:	(R)(S)	
Maximum Driveway Width (ft.)	24	(X)(Y)
Private Outdoor Living Space	Minimum 48 sq. ft. required with minimum dimension 6 feet	(FF)
Courts Required		(EE)
Required Facade Modulation	25% of front and side street elevation horizontal and/or vertical must be set back at least 5 feet from setback line	(T)(U)
Parking	See Article 31	(W)
Fences and Walls (ft.)	Maximum height of 6'	(Z)(AA)(BB)
Refuse Storage Areas	See Section 3022	
Underground Utilities	See Section 3023	
Nonconforming Structures	See Article 35	

D District Property Development Regulations (continued)

	Basic Requirements	Additional Regulations
Nonresidential Development		(II)(KK)
Minimum Lot Area (sq. ft.)	5,000	(A)(B)
Minimum Lot Width (ft.)	50	
Minimum Setbacks:		
Front (ft.)	10	(H)
Side (ft.)	0	(H)(I)

Corner Side (ft.)	10	(H)(J)
Rear (ft.)	0	(H)(I)
Maximum Height (ft.) of Structures	45	(M)(N)(O)
Maximum Floor Area Ratio	2	(F)
Minimum Site Landscaping	15%	(P)(Q)(S)
Fences and Walls (ft.)	8'	(Z)(AA)(BB)
Public Access to the Beach		(HH)
Off-Street Parking and Loading		(V)
Signs	See Article 33	(GG)
Outdoor Facilities	See Section 3020	(CC)
Employee Eating Areas		(DD)
Screening of Mechanical Equipment	See Section 3021	
Refuse Storage Areas	See Section 3022	
Underground Utilities	See Section 3023	
Performance Standards	See Section 3024	
Nonconforming Structures	See Article 35	

**D DOWNTOWN DISTRICT:
Additional Development Regulations**

- (A) The provisions of Section 3013: Development on Substandard Lots shall apply except that in the D District mergers of lots under common ownership shall not be required for purposes of compliance with this ordinance.
- (B) See Section 3014: Uncertainty of Boundaries.
- (C) The maximum density for Subdistrict 5A is one dwelling unit per 1,500 square feet of site area.
- (D)
 1. The Land Use Plan would allow for a maximum of 29 to 43 units per acre. The base of 29 units per acre shall be considered the appropriate density for development within each residential land use designation. The base density may be increased from 29 units per acre to 33 units per acre if an underground parking structure that is 50% or more below grade is used in a residential project to provide all of the required parking. All residential projects that do not have an underground parking structure shall have a maximum density of 29 units per acre.
 2. Residential projects located within Subdistrict 8B may request a waiver,

through the conditional use permit process, to the requirement that all required parking be contained in an underground parking structure. Such projects within Subdistrict 8B may achieve density up to 43 dwelling units per acre provided the project possesses the excellence of design criteria and characteristics described in Section B below. Residential projects with density below the base densities shall be considered to be consistent with the land use designation.

3. Residential projects using an underground parking structure which is 50% or more below finish grade to provide 75% of the required parking, and which possess an excellence of design features, shall be granted the ability to achieve densities above the base density of 29 or 33 units per acre if underground garage is provided, up to the maximum density of 43 units per acre upon approval of a Conditional Use Permit.
 - (a) Residential projects on lots 5,000 square feet or smaller may achieve densities above 29 units per acre without providing an underground parking structure, upon approval of a Conditional Use Permit.
 - (b) Projects located on The Strand may achieve densities above 29 units per acre without providing an underground parking structure upon approval of a Conditional Use Permit.
4. Project characteristics that exceed standards established by City policy and those established by existing or approved developments in the surrounding area will be favorably considered in the review of acceptable density within the range. Such characteristics include, but are not limited to the following:
 - a) Infrastructure improvements beyond what is necessary to serve the project and its population.
 - b) Lot standards (i.e. lot area, width depth, etc.) which exceed the minimum standards established by City policy.
 - c) Development standards (i.e. parking, setbacks, lot coverage, etc.) which exceed the standards established by City policy.
 - d) Superior architectural design and materials.
 - e) Superior landscape/hardscape design and materials.
 - f) Superior recreation facilities or other amenities.
 - g) Superior private and/or semi-private open space areas.
 - h) Floor areas that exceed the norm established by existing or approved development in the surrounding area.
 - i) Consolidation of existing legal lots to provide unified site design.
 - j) Initiation of residential development in areas where nonconforming commercial or industrial uses are still predominant.
 - k) Participation in the City's Redevelopment, Housing or Historical Preservation programs.

- xi All other structures in these subdistricts (the remaining 40% of the Master Site Plan) may not exceed a height of 45 feet.
- (c) In Sub Districts 7A and 7B, the maximum height limit shall be 45', except that a height limit of up to 65' may be permitted within an approved master plan where the total building floor coverage (footprint) of the development does not exceed more than 35% of the total developable area of the master plan, and the following criteria are met:
- i The architectural elevations shall vary in height along any road or street, especially along Hill Street.
 - ii Roof lines shall be pitched with flat roof lines allowed only for intermittent visual relief in character.
 - iii The maximum achievable elevation shall not extend for the entire roof line of the given building. (The use of jogs, offsets, height differentiations and other architectural features shall be used to reduce the appearance of a constant roof height.)
 - iv The use of a full roof, not flat, with appropriate pitch, shall be used whenever possible. (A full roof aids in the reducing any environmental noise pollution by providing proper sound attenuation.)
 - v In no case shall a building elevation exceed 45 feet in height unless developed under the auspices of a Disposition and Development Agreement, Owner Participation Agreement, Development Agreement or Conditional Use Permit (CUP). In such case, each such Agreement or CUP shall require a site plan and design criteria approval by the CDC.
 - vi No structure within 50' of the 100 Year Flood-plain boundary shall exceed 45' in height.
- (d) Residential projects east of the AT&SF railroad right-of-way.
- (e) In addition to the FAR standard required for commercial and mixed use development, the following shall be the maximum height limit per district:

Subdistrict	Maximum Height
1	140 feet
1A	45 feet
2	65 feet
3	65 feet
4A	Restricted by bluff height
4B	35 feet
5	35 feet west of AT&SF 45 feet east of AT&SF
5A	27 feet
6A	65 feet
6B	65 feet
6C & 6D	Pursuant to Harbor Precise Plan
7A	65 feet
7B	65 feet
8A	65 feet
8B	65 feet
9	45 feet
10	San Luis Rey River/Not Applicable
11	35 feet
12	140 feet
13	90 feet
14	45 feet
15	Beach/Strand Park/Restricted by bluff height"

- (f) In Subdistrict 6A and 6B provisions i - vi of herein above Section 6(2)(c) shall apply.
- (O) See Section 3018: Exceptions to Height Limits. All height exceptions, omitting those allowed under Section 3018, require approval by the Community Development Commission.
- (P) Planting Areas. All visible portions of a required setback area adjoining a street shall be planting area or hardscape that includes driveways, walks, parking areas, as well as areas covered by ornamental gravel, crushed rock, or similar materials. However, the front yard setback may not be entirely paved out or composed of hardscape material.
- (Q) See Section 3019: Landscaping, Irrigation and Hydroseeding.
- (R) The minimum site landscaping shall be provided on the lot surface; plantings on roofs, porches or in planting boxes which are above the lot surface shall not qualify as landscaping, except for landscaping located directly above underground parking which is 50% or more below grade. Hardscape does not qualify as landscaping except that, areas devoted to common patios, pools and other recreational facilities may be included in determining compliance with the landscaping requirement. In addition, for projects of four or fewer units, private outdoor living space can be used

to satisfy up to 10 percent of the minimum site landscaping requirement. Residential projects located on The Strand may count 30% of the required landscaping on roof tops toward their landscaping requirement, providing such landscaping or appurtenances or other architectural features (such as guard rails) do not exceed the present elevation of Pacific Street as defined at the time of passage of Proposition A, passed April 13, 1982, and set forth in the Proposition A Strand Survey dated May 9, 1986.

(S) Landscaping Requirements:

- (1) For residential projects only located on The Strand is 20%.
 - (2) Within Subdistricts 1, 2, 9, and 12 landscaping may be reduced (for commercial development only) provided that the developer contributes a fee to provide art work for the proposed project upon approval by the Community Development Commission. The percentage of landscaping to be reduced as well as the amount of the fee will be determined by the Community Development Commission.
- (T) The parking structures that are 50% or more below grade, the required facade modulation shall only be applicable to the facade area above the parking structure.
- (U) Buildings 50' wide or smaller in width may reduce the amount of facade modulation per Community Development Commission approval. For buildings located on The Strand, alternative facade modulations, either reduced amounts or horizontal modulation may be provided with Community Development Commission approval.
- (V) See Article 31: Off-Street Parking and Loading Regulations.
- (W) The following parking standards and regulations apply specifically to the D District. If there is a conflict with Article 31, the following parking standards shall apply:
1. All parking shall be in an enclosed garage. Up to 25 percent may be in a semi-enclosure with Community Development Commission approval.
 2. Tandem Parking:
 - (a) Tandem Parking may be allowed with-a Conditional Use Permit for property located on The Strand.
 - (b) For projects located outside of The Strand area but within the Redevelopment Project Area, tandem parking shall be allowed for parcels 33 feet wide or less with a Conditional Use Permit.
 - (c) When tandem parking is permitted, parking spaces are assigned to a single unit. Each parking space shall be numbered/lettered. Each unit shall be assigned a specific space or spaces. Each unit whose unit number/letter appears on the corresponding space(s) shall have an exclusive easement for parking purposes over that designated parking space.

3. Visitor parking spaces are required in projects with 25 or more units at a ratio of one additional space per five units above 25 units.
 4. Within the Transit Overlay District the number of on-street parking spaces available on the contiguous street frontage of the site may be counted toward the total number of parking spaces required for a non-residential Mixed Use Development Plan.
 5. Non-residential Mixed Use Development Plans within the Transit Overlay District may receive a mixed-use parking requirement reduction of up to 25% based upon all of the following criteria: a) proximity to the Oceanside Transit Center, b) demonstrated varied peak demand for parking, and c) project amenities which encourage alternate travel modes.
- (X) Any vehicular access over 24 feet in width requires Community Development Commission approval.
- (Y) On corner lots or lots with double frontages, vehicular access shall be provided from the secondary street or alley.
- (Z) Fences within front yard setback areas are limited to 42 inches in height. Residential fences over 6 feet in height require a variation or a variance. Nonresidential fences over 8 feet in height require a variation or a variance (See Section 3040).
- (AA) A 6-foot solid masonry or concrete wall shall adjoin the property line of the site of a new ground-floor residential use abutting an existing nonresidential use or the property line of a new nonresidential use abutting the site of an existing ground-floor residential use. However, no wall shall be required where the portion of the site within 10 feet of the property line is occupied by planting area or by a building having no openings except openings opposite a street property line.
- (BB) All fences, walls and fencing attachments (such as, but not limited to, barbed wire or razor wire) within the Redevelopment Project Area requires Redevelopment Department approval prior to installation. The Redevelopment Department's decision may be appealed to the Community Development Commission.
- (CC) See Section 3025: Antennas and Microwave Equipment and Section 3027: Recycling facilities.
- (DD) Outdoor eating facilities for employees shall be provided for all office buildings that contain more than 20,000 square feet if no public park is within 1,000 feet. See Section 3028: Employee Eating Areas.
- (EE) Courts Opposite Windows, Multifamily Units.
- Courts shall be provided for all multifamily development as follows:
- (1) Courts Opposite Walls on the Same Site: The minimum depth shall be one-half the height of the opposite wall but not less than 16 feet opposite a living room and 10 feet opposite a required window of any habitable room.

- (2) Courts Opposite Interior Property Line: The minimum depth of a court for a required window of a habitable room shall be 6 feet, measured from the property line.
 - (3) Court Dimensions: Courts shall be a minimum of 16 feet wide and shall be open to sky except for balconies 3 ft. in width and less, provided that eaves may project 2 feet into a court.
- (FF) Open Space.
- (1) Basic Requirement. Total open space on a site having three or more dwelling units shall be at least 200 square feet per dwelling unit.
 - (2) Private Outdoor Living Space. Private outdoor living space shall be on patios or balconies within which a horizontal rectangle has no dimension less than 6 feet.
 - (3) Shared Open Space. Shared open space, provided by non-street side yards, patios and terraces, shall be designed so that a horizontal rectangle inscribed within it has no dimension less than 10 feet, shall be open to the sky, and shall not include driveways or parking areas, or area required for front or street side yards.
 - (4) Parkland Dedication. All multifamily housing projects shall be subject to the parkland dedication requirements of Chapter 32, Subdivisions, of the City Code because apartments contribute to increased demand for community and neighborhood parks in the same manner as condominiums, cooperatives, and single-family housing. The applicant shall dedicate land or pay a fee, or a combination of dedication and fee as provided by Chapter 32, Article IV of the City Code, and the credit for improvement and private open space under Section 32.50 of the City Code shall apply, if warranted. The fees shall be calculated according to a schedule adopted by the City Council by resolution and shall be payable at the time a building permit is issued.
- (GG) The Sign Standards for the Downtown Oceanside Redevelopment Project Area adopted by the Oceanside Community Development Commission and the Harbor Design Standards adopted by the Oceanside Harbor Board of Directors pertaining to signs shall apply where they are more restrictive than Article 33 of the Oceanside Zoning Ordinance.
- (HH) In Subdistricts 4A and 15, permanent facilities shall be provided for pedestrian access from the nearest public streets on the bluff top to the public beach. Between Ninth Street and Wisconsin Avenue, such access shall be provided on the average of every 800 feet, but in no event will there be fewer than seven such pedestrian routes. Between Ninth Street and Wisconsin Avenue, no fewer than four permanent facilities shall be provided for vehicular access from the nearest public street on the bluff top to the beach.
- (II) Development within Subdistricts 6(C) and 6(D) shall be subject to the Harbor Design Standards.

- (JJ) The Property Development Regulations (Section 1230) for residential uses shall apply to all exclusively residential projects within commercially oriented subdistricts.
- (KK) Any mixed-use development with commercial and residential land uses combined requires a Mixed-Use Development Plan approved in accordance to the following requirements, to establish the property development regulations for the project. Base District Regulations and Property Development Regulations for Residential and Nonresidential land uses shall serve as the guideline for a mixed-use project. Height shall be regulated by the maximum height allowed in the Subdistrict as set forth in Additional Development Regulations sub-section (N). In no case shall these maximum heights be exceeded. Any deviations from the development regulations shall be evaluated based upon the merits of the development plan. Any deviation granted which permits a greater than 10% reduction in parking requirements above the base development regulations of Article 12 "D" Downtown District shall also require a Local Coastal Program Amendment.

Purpose:

The Mixed-Use Development Plan is intended to provide flexibility in land use regulations and site development standards under control of the Planning Commission and the Community Development Commission where flexibility will enhance the potential for superior urban design.

Initiation:

A mixed-use development may be initiated by filing an application for a Mixed Use Development Plan that complies with the requirements of this subsection (KK).

Required plans and materials:

1. A Mixed-Use Development Plan consisting of a map and textual materials as may be necessary to delineate land uses and locations, existing and projected building types and schematic designs, height and FAR including any proposals for transfer of FAR, site development requirements, existing and proposed open space, circulation, on-site and off-site parking, and any other pertinent information.
2. A comparison between underlying district regulations and standards and any proposed modifications to these regulations and standards, together with resulting impacts on traffic-carrying capacity of affected streets.
3. A statement of the reasons for any requested modifications to regulations or standards and a description of proposed means of mitigating any adverse effects.

Adoption of Mixed-Use Development Plans:

The Community Development Commission shall hold a duly noticed public hearing on the application in accord with the provisions of Article 45. Following the hearing,

the Commission may recommend approval of the Development Plan with conditions if it implements the purpose of the Mixed-Use Development Plan. The following findings shall be made by the Community Development Commission:

1. For the residential portion of the project, the total number of dwelling units in the Mixed-Use Development Plan does not exceed the maximum number permitted by the General Plan density of 43 dwelling units per acre. Any plan that would exceed the base density of 29 dwelling units per acre may be approved only if the Community Development Commission finds that the plan conforms to the provisions of Section 1230 of this Ordinance (in particular, Additional Regulation "CC").
2. That the Mixed-Use Development Plan will enhance the potential for superior urban design in comparison with development under the regulations that exist if the Development Plan were not approved;
3. That the Mixed-Use Development Plan is consistent with the adopted Land Use Element of the Redevelopment Plan and other applicable policies, and that it is compatible with development in the area it will directly affect;
4. That the Mixed-Use Development Plan includes adequate provisions for utilities, services, and emergency access, and public service demands will not exceed the capacity of existing systems;
5. That the traffic expected to be generated by development in accord with the Mixed-Use Development Plan will not exceed the capacity of affected streets; and
6. That the Mixed-Use Development Plan will not significantly increase shading of adjacent land in comparison with shading from development under regulations that would exist if the Mixed-Use Development Plan were not approved.

1235 Nonconforming Commercial Structures

Notwithstanding the provisions of Article 35, a nonconforming commercial building located in a commercial zoning district within the Redevelopment Project Area, which is destroyed to an extent of more than fifty percent (50%) of its replacement value at the time of its destruction by fire, explosion, or other casualty or Act of God, or the public enemy, may be restored to its original density, height, or configuration subject to all other provisions of this Article, provided that such nonconformities are not increased in intensity, and that there is no reduction in the amount of off-street parking which had existed on site prior to such destruction. The use of the rebuilt structure shall be subject to all current zoning use regulations in existence at the time of destruction. Existing uses operating under a conditional use permit, which is in compliance with the existing zoning regulations at the time of destruction, shall not be required to obtain a new use permit. Exterior appearance and facade plans for the rebuilding of nonconforming commercial structures shall be subject to review by the Redevelopment Design Review Committee and approval by the Community Development Commission. (For Residential Nonconforming Buildings See Article 35 Section 3510)

1240 Review of Plans

Certain projects shall require concept plan review in accordance with Article 42 of this Ordinance. All new development projects with the exception of single family residences shall require development plan review in accordance with Article 43. All development plans shall be reviewed by the Redevelopment Staff and by any other City department or division or governmental agency designated by the Redevelopment Director.

Alterations of existing structures, not within Subdistrict 1A or in an Historic Overlay District, are exempt from development plan review unless the alteration adds the following:

- a) 10% or more of additional square footage to an existing structure or;
- b) adds more than 500 square feet to an existing structure.

Such alterations shall be considered to be major alterations and require development plan review. The Community Development Commission shall approve, conditionally approve, or disapprove development plans for all projects within the designated Redevelopment Project Area.

Development plans for projects in Subdistrict 1A or in an HD Historic Overlay District shall be reviewed by the Historical Preservation Advisory Commission (OHPAC). The proposed demolition of a designated historical site shall also be reviewed by OHPAC and approved, conditionally approved, or denied by the Community Development Commission.

In regards to the Development Plans within the Oceanside Small-Craft Harbor, Planning Commission recommendations shall be made to the Harbor Chief Executive Officer for processing and action in accordance with Article 43.

All discretionary actions within the Downtown District shall require Community Development Commission review, unless otherwise specified in this Ordinance. The Planning Director or Planning Commission shall recommend to the Harbor Chief Executive Officer, approval, conditional approval, or denial of discretionary requests.

The Community Development Commission's, or the Harbor Board of Director's, consideration of discretionary actions shall be through a noticed public hearing if the action requested requires such a public hearing. Where a noticed public hearing is required, the Community Development Commission's review of the discretionary action shall also be through a public hearing. All decisions made by the Community Development Commission and Harbor Board of Directors shall be final.

1250 Amendments

Any amendments to Article 12 of this Ordinance that affect properties within the established California Coastal Zone shall be approved by the California Coastal Commission.

NEW

Article 4(a) Redevelopment Project Area Use Classifications

Sections:

410	Purpose and Applicability
420	Uses Not Classified
430	Residential Use Classifications
440	Public and Semipublic Use Classifications
450	Commercial Use Classifications
460	Accessory Use Classifications
470	Temporary Use Classifications

410 Purpose and Applicability

The uses classifications describe herein are only applicable within the Redevelopment Project Area. The uses describe one or more uses having similar characteristics, but do not list every use or activity that may appropriately be within the classification. The **Economic Development & Redevelopment Director** shall determine whether a specific use shall be deemed to be within one or more use classifications or not within any classification in this Title. The **Economic Development & Redevelopment Director** may determine that a specific use shall not be deemed to be within a classification, whether or not named within the classification, if its characteristics are substantially incompatible with those typical of uses named within the classification. The **Economic Development & Redevelopment Director's decision may be appealed to the Community Development Commission.**

420 Uses Not Classified

Any new use, or any use that cannot be clearly determined to be in an existing use classification, may be incorporated into the zoning regulations by a Zoning Ordinance text amendment, as provided in Article 45.

430 Residential Use Classifications

- A. Day Care, Limited. Non-medical care and supervision of up to and including fourteen persons on a less than 24-hour basis within a licensee's home for children and adults.
- B. Group Residential. Shared living quarters without separate kitchen or bathroom facilities for each room or unit. This classification includes boardinghouses, dormitories, fraternities, sororities, and private residential clubs, but excludes residential hotels (see Single-Room Occupancy (SRO) Residential Hotels).

- C. Live/Work Quarters. An area comprising one or more rooms in a building originally designed for industrial or commercial occupancy that includes cooking space, sanitary facilities, and working space for artists, artisans and similarly activities and Custom Industry uses as defined herein.
- D. Multifamily Residential. Two or more dwelling units on a site. This classification includes mobile home and factory-built housing.
- E. Residential Care, Limited. Twenty-four-hour non-medical care for six or fewer persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living.
- F. Single-Family Residential. Buildings containing one dwelling unit located on a single lot. This classification includes mobile home and factory-built housing.

440 Public and Semipublic Use Classifications

- A. Child Care. Non-medical care and supervision on a less than 24-hour basis in any care facility of any capacity, and not within a licensee's home for persons under the age of 18.
- B. Clubs and Lodges. Meeting, recreational, or social facilities of a private or nonprofit organization primarily for use by members or guests. This classification includes union halls, social clubs, youth, and senior centers.
- C. Convalescent Facilities. Establishments providing care on a 24-hour basis for persons requiring regular medical attention, but excluding facilities providing surgical or emergency medical services.
- D. Cultural Institutions. Nonprofit institutions displaying or preserving objects of interest in one or more of the arts or sciences. This classification includes libraries, museums, and art galleries.
- E. Day Care, General. Non-medical care and supervision on a less than 24-hour basis in any care facility of any capacity, and not within a licensee's home for persons over the age of 18.
- F. Emergency Health Care. Facilities providing emergency medical service with no provision for continuing care on an inpatient basis.
- G. Government Offices. Administrative, clerical, or public contact offices of a government agency, including postal facilities, together with incidental storage and maintenance of vehicles.
- H. Hospitals. Facilities providing medical, surgical, psychiatric, or emergency medical services to sick or injured persons, primarily on an inpatient

basis. This classification includes incidental facilities for outpatient treatment, as well as training, research, and administrative services for patients and employees.

- I. Park and Recreation Facilities. Noncommercial parks, playgrounds, recreation facilities, and open spaces.
- J. Public Safety Facilities. Facilities for public safety and emergency services, including police and fire protection.
- K. Religious Assembly. Facilities for religious worship and incidental religious education and other religious facility related supportive and social services. This use classification specifically excludes private schools as defined in this section. **Only Small-scale establishments occupying no more than 5,000 square feet.**
- L. Residential Care, General. Twenty-four hour non-medical care for seven or more persons, including wards of the juvenile court, in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living.
- M. Resource Centers. Neighborhood facilities that are City-sponsored or under the control of the City and are used for neighborhood safety, enhancement, education, health care, and other similar neighborhood programs.
- N. Schools, Public or Private. Educational institutions having a curriculum comparable to that required in the public schools of the State of California.
- O. Transitional Housing. Transitional housing encompasses both housing and appropriate supportive services for homeless persons designed to enable them to move to independent living within a 24-month period.
- P. Utilities, Major. Generating plants, electrical substations, aboveground electrical transmission lines, lone switching buildings, refuse collection, transfer, recycling or disposal facilities, water reservoirs, flood control or drainage facilities, water or waste water treatment plants, transportation or communications utilities, and similar facilities of public agencies or public utilities. A structure that may have a significant effect on surrounding uses shall be regulated under this classification.
- Q. Utilities, Minor. Utility facilities that are necessary to support legally established uses and involve only minor structures such as electrical distribution lines, underground water and sewer lines, and recycling centers within convenience zones, as defined by the California Beverage Container Recycling and Litter Reduction Act.

450 Commercial Use Classifications

- A. Ambulance Services. Provision of emergency medical care or transportation, including incidental storage and maintenance of vehicles.
- B. Animal Sales and Services.
 - 1. Animal Grooming. Provision of bathing and trimming services for animals on a commercial basis. This classification includes boarding of domestic animals for a maximum period of 48 hours.
 - 2. Animal Product Sales. Retail products associated with domestic animals (dogs, cats, birds, snakes, and small rodents).
- C. Artists Studios. Work and display space for artists and artisans, including individuals practicing one of the fine arts or performing arts, or skilled in an applied art or craft. **Only small-scale establishments occupying no more than 5,000 square feet.**
- D. Banks and Savings and Loans. Financial institutions that provide retail banking services to individuals and businesses. This classification is limited to institutions engaged in the on-site circulation of cash money including businesses offering check-cashing facilities. **This excludes check cashing businesses and loan companies not associated with a bank, credit unions or savings and loan.**
 - 1. Drive-through/Drive-up Service. Institutions providing self-service banking facilities that are not associated with a primary banking or savings and loan building located on the same site.
 - 2. Self-service Facilities (ATM's). Institutions providing self-service banking facilities that are not associated with a primary banking or savings and loan building located on the same site.
- E. Catering Services. Preparation and delivery of food and beverages for off-site consumption with provision for on-site pickup or consumption not to exceed 1,000 square feet. (See also Eating and Drinking Establishments.)
- F. Commercial Recreation and Entertainment. Provision of participant or spectator recreation or entertainment. This classification includes theaters, sports stadiums and arenas, amusement parks, bowling alleys, billiard parlors, pool rooms, dance halls, ice/roller skating rinks, golf courses, miniature golf courses, scale-model courses, shooting galleries, tennis/racquetball courts, arcades and games centers having five or more coin-operated game machines and card rooms.

G. Communications Facilities. Broadcasting, recording, and other communication services accomplished through electronic or telephonic mechanisms, but excluding Utilities (Major). This classification includes radio, television, or recording studios; telephone switching centers; and telegraph offices.

H. Eating and Drinking Establishments.

A place which a "bona fide public eating place" is used and kept open for the serving of meals to guests for compensation and which has an adequate seating area for the consumption of meals and suitable kitchen facilities for cooking an assortment of foods which may be required for ordinary meals. As used in this definition, the word "meals" means the usual assortment of foods commonly ordered at various hours of the day; the services of only such foods as sandwiches or salads shall not be deemed in compliance with this requirement.

As used in this definition, the words "suitable kitchen facilities" shall include cooking equipment (such as deep fryers, stoves or ovens) requiring hood fans, an operable dishwashing machine, and a central freezing and refrigeration area.

1. Restaurant. A restaurant is an establishment that serves prepared food and beverages to be consumed on the premises. The term covers a multiplicity of venues and a diversity of styles of cuisine. A restaurant may serve beer and wine with a valid ABC and where a substantial amount of sales include meals during normal meal hours and that they are open at least five days a week.
2. Espresso Stand (drive-through). A walk-up, sit down or auto-oriented business, that dispenses hot and/or cold beverages and pre-prepared food products.
3. Small-scale Entertainment - Small scale live entertainment is permitted and is limited to five or fewer performers, with not dance floor and limited to typical lunch and dinner hours (11:00 a.m. to 11:00 p.m.)
4. Live Entertainment. Establishments providing live entertainment for patrons with six or more performers.
5. Fast Food/Take Out. Restaurants where food and/or beverages are sold ready to go, to be consumed on or off the premises. This does not include drive through.
6. Full Service Liquor. A restaurant that is authorized to sell beer, wine and distilled spirits for consumption on the premises. Restaurant must operate and maintain an ABC

license and premises must operate as a "bona fide public eating place", where a substantial amount of sales include meals during normal meal hours and that they are open at least five days a week.

- I. Food and Beverage Sales. Retail sales of food and beverages for off-site preparation and consumption. Typical uses include groceries, liquor stores, or delicatessens. Establishments at which 20 percent or more of the transactions are sales of prepared food for on-site or take-out consumption shall be classified as Catering Services or Eating and Drinking Establishments.
 1. Convenience Markets. Retail sales of food, beverage and small convenience items typically found in establishments with long or late hours of operation.
 2. Grocery/ Neighborhood Market. Retail sales of food and beverages for off-site preparation and consumption. Principally engaging in the retail sale of staple foodstuffs, household supplies and a sizeable assortment of fresh produce, meats, fish and dairy products. A minimum of 60% of net floor area (excluding storage, aisle ways, check out and customer service areas) shall be dedicated to the sale of staple foodstuffs and fresh items such as produce, meats, fish, and dairy products.

(Net Floor Area - The total floor area within the walls of all buildings on a lot or building site, except for the spaces therein devoted to vents, shafts, and lighting courts, and except for the area devoted exclusively to loading and unloading facilities or parking of motor vehicles).
 3. Specialty Market. Retail sales of food and beverages for off-site preparation and consumption. Principally engaging and specializing in the retail sales of one specific product line such as produce, meat, fish, etc. Such markets may include the incidental sales of other merchandise directly related to the principal product line.
- J. Home Occupation. A limited-scale service or fabrication activity, which occurs in a dwelling unit or accessory building and is subordinate to the primary use of the premises for residential purposes, with limitations as set forth within the City of Oceanside business license department.
- K. Live work lofts. May include "professional services that do not require client visits, electronics research and development, computer software

development, internet based business and the like are permitted. In addition to paper based and/or home based occupations such as engineers, architects, consultants, computer specialists, interior designers, lawyers, and real estate professionals

- L. Marine Sales, Rentals, and Services. Establishments providing supplies and equipment for shipping or related services, or pleasure boating and recreation. Typical uses include chandleries, yacht brokerage, sales, boat yards, boat docks, and sail-making lofts.
- M. Offices, Business and Professional. Offices of firms or organizations providing professional, executive, management, or administrative services.
1. Administrative/Business. Establishments providing direct services to clients, including insurance agencies, real estate offices, post offices (not including bulk mailing distribution centers).
 2. Production. Office-type facilities occupied by businesses engaged in the production of intellectual property. These uses include: advertising agencies, architectural, engineering, planning and surveying services, computer software production and programming services, educational, scientific and research organizations, media postproduction services, photography and commercial art studios, writers and artist's offices.
 3. Professional. Professional or government offices including: Accounting, auditing and bookkeeping services, attorneys, counseling services, court reporting services, data processing services, detective agencies and similar services, employment, stenographic, secretarial and word processing services, government offices, literary and talent agencies, management and public relations services
 4. Temporary. A mobile home, recreational vehicle or modular unit used as temporary office facility. Temporary Offices may include: construction supervision offices on a construction site or off-site construction yard; a temporary on-site, which is converted to residential use at the conclusion of its office use.
 5. Temporary Real Estate. The temporary use of a dwelling unit within a residential development project as a sales office for

the units on the same site, which is converted to residential or commercial use at the conclusion of its office use.

- N. Pawn Shops. Establishments engaged in the buying or selling of new or secondhand merchandise and offering loans secured by personal property and subject to Chapter 22 of the Municipal Code. This definition does not include Junk as defined as old or scrap copper, brass, rope, rags, batteries, paper, trash, rubber debris, wastes, machinery, scrap wood, or junked, dismantled or wrecked automobiles, or parts thereof; iron, steel, and other old or scrap ferrous or nonferrous material. Includes any other definitions of junk established in City ordinances.
- O. Personal Improvement Services. Provision of instructional services or facilities, including: photography, fine arts, crafts, dance or music studios; driving, business or trade schools; diet centers, or reducing salons; and health/fitness studios, spas or clubs.
1. Health/Club/Studio/Spa. Establishments with equipment for exercise and physical conditioning. Facilities offering the use of exercise equipment for public use, and services such as, expertise and instruction for fitness training, weight loss, yoga and aerobics classes. Does not include massage or other medically related services.
 2. Day Spa. A day or full service spa must provide at least four different types of services and all services must be provided on the premises during regular business hours and include some type of instructional service. These services may include any of the following: facial therapies, body treatments, hair removal, nail care, salon care, makeup application, permanent cosmetic makeup, skin care treatments, therapeutic massage, aromatherapy, hydrotherapy, and instructional services such as; nutritional counseling, weight management, stress management, medical evaluations, and fitness activities such as; private or personal fitness training, yoga, meditation, and retail products such as; skin and body care products, work out or spa clothing, juice bar, spa or health food cuisine, health food products.

All services shall be administer by licensed cosmetologists, estheticians or similar professionals and should offer a vast array of the highest quality skin, body, health care, and fitness services. At a minimum spas establishment must be: clean, and safe environment; have private treatment rooms for clients receiving a personal service; business licenses;

professional, licensed estheticians and therapists; professional spa products for which estheticians and therapists have received training in their use; and have showering and changing facilities for women and men (when necessary).

3. Accessory Massage. Massage only permitted as an incidental use to a primary use listed above, with a use permit and must abide by all other City Ordinances and Codes.

P. Personal Services. This classification includes: photo-copying, word processing, packaging, postal and office supply support facilities.

1. Laundromat/Cafe. A commercial establishment offering self-serve and assisted laundry facilities for public use in conjunction with some type of food or beverage service.
2. General Repair. The repair of small appliances, stereo equipment, electronic pieces and computers. This term does not include the repair of motor vehicles, motorcycles, lawnmowers or garden equipment.

Q. Retail (General) Sales. The retail sale of merchandise not specifically listed under another use classification. This classification includes artist supplies, bakeries, bicycles, books, cameras and photographic supplies, clothing and accessories, department stores, drug stores, dry goods, fabrics and sewing supplies, florist and houseplants, hobby material, jewelry, luggage and leather goods, home improvement stores, furniture stores, handcrafted items, jewelry, cameras, photographic supplies (including limited processing), electronic equipment, records, sporting goods, kitchen utensils, hardware, appliances, art supplies and services, paint and wallpaper, carpeting floor covering, office supplies, bicycles, and musical instruments, parts and accessories, specialty shops, religious goods, sporting goods and equipment, stationery, toys and games and variety stores.

1. Antiques, Antique Shop. Any article which, because of age, rarity or historical significance, has a monetary value greater than the original value, or which has an age recognized by the United States Government as entitling the article to an import duty less than that prescribed for contemporary merchandise. A store or shop selling only such articles or offering them for sale shall be considered as an antique shop or store, and not considered as a dealership handling used or secondhand merchandise.

2. Custom Retail. Establishments primarily engaged in on-site production of goods by hand manufacturing involving the use of hand tools and small-scale mechanical equipment not exceeding two (2) horsepower or a single kiln not exceeding eight (8) kilowatts; and the direct sale to consumers of those goods produced on-site. Products made incident to a permitted use may be sold at retail on the premises, and not more than three (3) people shall be employed in the production process. Typical uses include but are not limited to ceramic studios, candle-making shops, and custom jewelry production.
 3. Secondhand Furniture, Appliance, "Collectible" and Clothing Sales. The retail sale of used furniture, appliances, "collectibles" and clothing, and secondhand dealers who are subject to Chapter 22 of the Municipal Code. This classification excludes antique shops primarily engaged in the sale of antique furniture and accessories. Only small establishments occupying no more than 5,000 square feet.
 4. Wine Tasting. Retail establishments for the sale of bottled wine and which offer wine tasting and the sale of wine for on-site consumption in connection with the marketing of wines offered for sale on the premises. With the exception of wine and featured micro-brews, no beverages or items containing alcohol shall be offered for sale or consumed on the premises. Non-alcoholic retail items associated with wine drinking such as wine glasses, decanters, ice buckets, toppers, serving implements, snack foods and non alcoholic beverages may also be offered for sale. Wine tasting shall only occur in an enclosed area not accessible for persons under the age of 21.
- R. Travel Services. Establishments providing travel information and reservations to individuals and businesses. This classification excludes car rental agencies.
- S. Automotive Rental (small scale). Rental of vehicles; limited to five rental cars.
- T. Visitor Accommodations
1. Bed and Breakfast Inns. Establishments offering lodging on a less than weekly basis in a converted single-family or multi-family dwelling, with incidental eating and drinking service for lodgers only provided from a single kitchen.
 2. Hotels and Motels. Establishments offering commercial lodging on a less than monthly basis. This classification includes incidental eating, drinking, and banquet services intended for the

convenience of guests.

3. **Timeshare.** A facility or arrangement, plan, or similar program, other than an exchange program, whereby a purchaser receives ownership rights in or the right to use accommodations for a period of time less than a full year during any given year, on a recurring basis for more than one year, but not necessarily for consecutive years.
4. **Fractional Ownership Hotel.** A facility providing overnight visitor accommodations where at least some of the guestrooms are owned separately by multiple owners on a fractional time basis. A fractional time basis means that an owner receives exclusive right to use of the individual unit for a certain quantity of days per year and each unit available for fractional ownership will have multiple owners. When a fractional ownership unit is not occupied by one of its owners, that unit shall be made available to the general public through the hotel operator. If a Fractional Ownership Hotel includes traditional hotel units, the facility may use those rooms alone or in combination with its fractional units to satisfy any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations in the summer season, which is Memorial weekend through Labor Day.
5. **Condominium Hotel.** A facility providing overnight visitor accommodations, where at least some of the guest rooms are in the form of separate condominium ownership interests. When a condo-hotel unit is not occupied by its owner, that unit shall be made available to the general public through the hotel operator. If a Condominium Hotel includes traditional hotel units, the facility may use those rooms alone or in combination with its condo-hotel units to satisfy any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations in the summer season, which is Memorial weekend through Labor Day.
6. **Resort.** A resort is defined as a full service hotel of greater than 200 rooms with pool, spa, or similar amenities and full service restaurant.
7. **Integrated Resort:** A resort that includes both traditional hotel lodging and some combination of timeshares, fractional time shares, or condo-hotel units. Up to 25% of the total rooms in

an Integrated Resort may be timeshare, fractional timeshare or condo-hotel units; however, no more than 15% of the total rooms in an Integrated Resort may be Fractional timeshare units. An Integrated Resort is exempt from any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations in the summer season, which is Memorial weekend through Labor Day.

Visitor Accommodations-Special requirements

1. Hotel Owner/Operator – The entity that owns and operates a hotel. If the hotel operator is separate from the hotel owner, both shall be jointly and severally responsible for ensuring compliance with the requirements described in the Local Coastal Plan and/or recorded against the property, as well as jointly and severally liable for violations of said requirements and restrictions. The owner/operator shall manage all guestrooms/units as part of the hotel inventory, which management shall include the booking of reservations, mandatory front desk check-in and check-out, maintenance, cleaning services and preparing units for use by guest and owners. Owner/operator shall retain control of all land, structures, recreational amenities, meeting spaces, restaurants, "back of house" and other guest-room facilities.
2. Hotel Conversion - Any hotel rooms for which a Certificate of Occupancy has been issued at the effective date of adoption of this section shall not be converted to an Integrated Resort.
3. New projects - will be required to prepare Covenants, Conditions, and Restrictions (CC& R's) that shall be recorded concurrently with the recordation of all tract maps against all individual property titles reflecting the use restrictions, in particular how the transient overnight requirement for summer season will be satisfied.
4. Limited occupancy - An owner of a timeshare, fractional timeshare or condo hotel unit, may occupy their unit no more than 90 days per calendar year with a maximum of 29 days of use during any 60-day period.

460 Accessory Use Classifications

- A. Accessory Uses and Structures. Uses and structures that are incidental to the

principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. This classification includes accessory dwelling units ("second units") and home occupations.

470 Temporary Use Classifications

- A. Agricultural Specialty Sales, Seasonal. Retail sale of seasonal specialty items for a period not to exceed 45 days (e.g. Christmas Tree Sales, Pumpkin Sales).
- B. Yard/Garage Sales. A sales event advertised by any means at a residential location where members of the public may purchase identifiable or tangible items of personal property; provided however, it shall not mean any event which constitutes a sales activity, wholesale or retail, by any business which has a current business license issued by the City. Items sold shall be limited to personal property owned by the occupant of the property and/or surrounding neighbors.

NEW

Article 41 Use Permits and Variances

Sections:

- 4101 Purposes
- 4102 Authority of the Planning Director, Economic Development and
Redevelopment Director, Planning
Commission, Harbor Board, **Community Development
Commission** and City Council
- 4103 Application for Use Permit or Variance
- 4104 Notice, Administrative Decision, and Public Hearing
- 4105 Required Findings
- 4106 Conditions of Approval
- 4107 Effective Date
- 4108 Lapse of Approval; Time Extension; Transferability;
Discontinuance; Revocation
- 4109 Changed Plans
- 4110 Appeals

4101 Purposes

This article provides the flexibility in application of land use and development regulations necessary to achieve the purposes of this ordinance by establishing procedures for approval, conditional approval, or disapproval of use-permit and variance applications. Use permits are required for use classifications typically having unusual site development features or operating characteristics requiring special consideration so that they may be designed, located, and operated compatibly with uses on adjoining properties and in the surrounding area.

Variances are intended to resolve practical difficulties or unnecessary physical hardships that may result from the size, shape, or dimensions of a site or the location of existing structures thereon; from geographic, topographic, or other physical conditions on the site or in the immediate vicinity; or from street locations or traffic conditions in the immediate vicinity of the site. Cost to the applicant of strict compliance with a regulation shall not be the sole reason for granting a variance.

Variances may be granted with respect to fences, walls, landscaping, screening, site area, site dimensions, yards, height of structures, courts, distances between structures, open space, signs, off-street parking and off-street loading, frontage, locational requirements and performance standards.

Authorization to grant variances does not extend to use regulations because the flexibility necessary to avoid results inconsistent with the land use objectives of this ordinance is provided by the use permit process for specified uses and by the authority of the Planning Commission to determine whether a specific use belongs within one or more of the use classifications listed in Article 4.

4102 Authority of the Planning Director, Planning Commission, Economic Development and Redevelopment Director, Harbor Board, Community Development Commission and City Council

The Planning Commission and **Economic Development and Redevelopment Director** shall approve, conditionally approve, or disapprove applications for use permits or variances which are consistent with the General Plan subject to the general purposes of this ordinance, the specific purposes of the base or overlay zoning district in which a development site is located, and the provisions of this article, unless authority for a decision on a use permit is specifically assigned to the Planning Director or **Economic Development and Redevelopment Director**, in the individual articles of this ordinance.

Within designated redevelopment areas, the **Economic Development and Redevelopment Director** shall recommend approval, conditional approval, or denial of applications for use permits or variances to the Community Development Commission (acting as the Planning Commission for the designated redevelopment area), which shall have final decision-making authority over such applications under this article.

Within the Oceanside Small Craft Harbor, recommendations shall be made by the Harbor Chief Executive Officer for processing and action by the Harbor Board of Directors, which shall have final decision-making authority, except for projects that are also within a redevelopment area, in which case the Community Development Commission shall have final authority.

For use permits involving condominium conversions of five units or more, mobile home park conversions, and regulated uses not within a redevelopment area or the Harbor, the City Council shall have final decision-making authority (see Articles 32, 34, and 36, respectively).

4103 Application for Use Permit or Variance

Applications for use permits and variances shall be initiated by submitting the following materials to **either the Planning Department or the Economic Development & Redevelopment Department**:

- A. A completed application form, signed by the property owner or authorized agent, accompanied by the required fee, plans and mapping documentation in the form prescribed by the Planning Director or the **Economic Development & Redevelopment Director**;

- B. A map showing the location and street address of the development site and all lots within 300 feet of the boundaries of the site; and
- C. A list, drawn from the last equalized property tax assessment roll, showing the names and addresses of the owners of record of each lot within 300 feet of the boundaries of the site. This list shall be keyed to the map required in subsection (B) above.

4104 Notice, Administrative Decision, and Public Hearing

- A. Administrative Decision. For use permit applications that only require the consideration of the Planning Director **or Economic Development and Redevelopment Director**, the Planning Director **or Economic Development and Redevelopment Director**, shall administratively approve, conditionally approve, or disapprove the use permit application.
- B. Public Hearing Required. For use permit and variance applications that require the consideration of the Planning Commission **or the Community Development Commission**, a public hearing of the Planning Commission **or the Community Development Commission** shall be held to approve, conditionally approve, or disapprove the use permit or variance application.
- C. Time of Administrative Decision or Public Hearing. Within 10 working days after acceptance of a complete application, the Planning Director **or Economic Development and Redevelopment Director** shall set a time and place for an administrative decision or a public hearing to be held within 60 days.
- D. Notice. Notice of the administrative decision or public hearing shall be given in the following manner:
 - 1. Published Notice. Notice shall be published in at least one newspaper of general circulation within the City at least 10 days prior to the administrative decision or public hearing on the project.
 - 2. Mailed or Delivered Notice. At least 10 days prior to the administrative decision or public hearing, notice shall be mailed to the applicant and all owners of property within 300 feet of the boundaries of the site, as shown on the last equalized property tax assessment role.
- E. Contents of Notice. The notice of the administrative decision or public hearing shall contain:

1. A description of the location of the development site and the purpose of the application;
 2. A statement of the time, place, and purpose of the administrative decision or public hearing;
 3. A reference to application materials on file for detailed information; and
 4. A statement that any interested person or an authorized agent may comment or appear and be heard.
- F. Multiple Applications. When applications for multiple use permits or variances on a single site are filed at the same time, the Planning Director or **Economic Development and Redevelopment Director** shall schedule a combined administrative decision or public hearing.

4105 Required Findings

The Planning Commission, or the Planning Director or **Economic Development and Redevelopment Director**, as the case may be, may approve an application for a use permit or variance as it was applied for or in modified form as required by the Planning Director or **Economic Development and Redevelopment Director** or Planning Commission if, on the basis of the application, plans, materials, and testimony submitted, the Planning Commission or the Planning Director or **Economic Development and Redevelopment Director** finds:

- A. For Use Permits.
1. That the proposed location of the use is in accord with the objectives of this ordinance and the purposes of the district in which the site is located.
 2. That the proposed location of the conditional use and the proposed conditions under which it would be operated or maintained will be consistent with the General Plan; will not be detrimental to the public health, safety or welfare of persons residing or working in or adjacent to the neighborhood of such use; and will not be detrimental to properties or improvements in the vicinity or to the general welfare of the city.
 3. That the proposed conditional use will comply with the provisions of this ordinance, including any specific condition required for the proposed conditional use in the district in which it would be located.

B. For Variances.

1. That because of special circumstances or conditions applicable to the development site -- including size, shape, topography, location or surroundings -- strict application of the requirements of this ordinance deprive such property of privileges enjoyed by other property in the vicinity and under identical zoning classification;
2. That granting the application will not be detrimental or injurious to property or improvements in the vicinity of the development site, or to the public health, safety or general welfare; and
3. That granting the application is consistent with the purposes of this ordinance and will not constitute a grant of special privilege inconsistent with limitations on other properties in the vicinity and in the same zoning district; and, if applicable,
4. OS District Only. That granting the application is consistent with the requirements of Section 65911 of the Government Code and will not conflict with General Plan policies governing orderly growth and development and the preservation and conservation of open-space lands.

4106 Conditions of Approval

In approving a use permit or variance, the Planning Commission, or the Planning Director or Economic Development and Redevelopment Director as the case may be, may impose reasonable conditions necessary to:

- A. Achieve the general purposes of this ordinance or the specific purposes of the zoning district in which the site is located, or to make it consistent with the General Plan;
- B. Protect the public health, safety, and general welfare; and
- C. Ensure operation and maintenance of the use in a manner compatible with existing and potential uses on adjoining properties or in the surrounding area.

Limits on Conditions of Approval. No conditions of approval of a use permit shall include use, height, bulk, density, open space, parking, loading, or sign requirements that are less restrictive than those prescribed by applicable district regulations.

4107 Effective Date

Effective Date. Use permits administratively approved by the Planning Director or **Economic Development and Redevelopment Director** shall become effective on the date of the Planning Director's or **Economic Development and Redevelopment Director** administrative decision, unless appealed to the Planning Commission or the **Community Development Commission**, as provided for in this article. Use permits and variances approved by the Planning Commission shall become effective on the date of adoption of the Planning Commission or the **Community Development Commission** resolution, unless appealed, as provided for in Article 46.

**4108 Lapse of Approvals; Time Extension; Transferability;
Discontinuance; Revocation**

- A. Lapse of Approvals. A use permit or variance shall lapse two years after the effective date of approval or conditional approval or at an alternative time specified as a condition of approval unless:
1. A grading permit has been issued and grading has been substantially completed and/or a building permit has been issued, and construction diligently pursued; or
 2. A certificate of occupancy has been issued; or
 3. The use is established; or
 4. The use permit or variance is extended.
 5. In cases where a use permit or variance is approved concurrently with a Tentative Map and a Final Map or Parcel Map is recorded, the use permit or variance shall be effective for an additional 24 months from the date of recordation of the Final Map or Parcel Map.
- B. Time Extension. Upon application by the project applicant filed prior to the expiration of an approved or conditionally approved use permit or variance, the time at which the use permit or variance expires may be extended by the Planning Director, or **Economic Development and Redevelopment Director**, or the Planning Commission as the case may be, for a period or periods not to exceed a total of three years. Application for renewal shall be made in writing to the Planning Director or **Economic Development and Redevelopment Director**, no less than 30 days or more than 90 days prior to expiration. Decisions on Time Extensions may be appealed, as prescribed in Article 46.
- C. Transferability. The validity of a use permit or a variance shall not be affected by changes in ownership.

- D. Discontinuance. A use permit or variance shall lapse if the exercise of rights granted by it is discontinued for six consecutive months.
- E. Revocation. A use permit or variance that is exercised in violation of a condition of approval or a provision of this ordinance may be revoked, as provided in Section 4706.

4109 Changed Plans

- A. Changed Plans. A request for changes in conditions of approval of a use permit or variance, or a change to the approved plans that would affect a condition of approval shall be treated as a new application. The Planning Director or **Economic Development and Redevelopment Director** may waive the requirement for a new application if the changes requested are minor, do not involve substantial alterations or addition to the plan or the conditions of approval, and are consistent with the intent of the project's approval or otherwise found to be in substantial conformance.

4110 Appeals

- A. Rights of Appeal and Review. Use permit decisions of the Planning Director may be appealed by any interested party to the Planning Commission. **Use permit decisions of the Economic Development and Redevelopment Director may be appealed by any interested party to the Redevelopment Advisory Commission for their recommendation to the Community Development Commission.** Use permit and variance decisions of the Planning Commission may be appealed by any interested party to the City Council.
- B. Procedures; Public Hearings. Procedures for appeals shall be as prescribed by Article 46.

CURRENT REDLINE

Article 4 Use Classifications

Sections:

- 410 Purpose and Applicability
- 420 Uses Not Classified
- 430 Residential Use Classifications
- 440 Public and Semipublic Use Classifications
- 450 Commercial Use Classifications
- ~~460 Industrial Use Classifications~~
- ~~470 Agricultural and Extractive Use Classifications~~
- 480 Accessory Use Classifications
- 4790 Temporary Use Classifications

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410 Purpose and Applicability

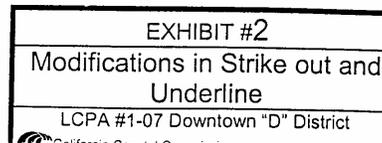
Use classifications describe one or more uses having similar characteristics, but do not list every use or activity that may appropriately be within the classification. The ~~Planning Director~~ Economic & Redevelopment Director shall determine whether a specific use shall be deemed to be within one or more use classifications or not within any classification in this Title. The ~~Planning Director~~ Economic & Redevelopment Director may determine that a specific use shall not be deemed to be within a classification, whether or not named within the classification, if its characteristics are substantially incompatible with those typical of uses named within the classification. The ~~Planning Director's~~ Economic & Redevelopment Director decision may be appealed to the ~~Planning Commission~~ Community Development Commission.

420 Uses Not Classified

Any new use, or any use that cannot be clearly determined to be in an existing use classification, may be incorporated into the zoning regulations by a Zoning Ordinance text amendment, as provided in Article 45.

430 Residential Use Classifications

- A. Day Care, Limited. Non-medical care and supervision of up to and including fourteen persons on a less than 24-hour basis within a licensee's home for children and adults.
- B. Group Residential. Shared living quarters without separate kitchen or bathroom facilities for each room or unit. This classification includes



boardinghouses, dormitories, fraternities, sororities, and private residential clubs, but excludes residential hotels (see Single-Room Occupancy (SRO) Residential Hotels).

- C. Live/Work Quarters. An area comprising one or more rooms in a building originally designed for industrial or commercial occupancy that includes cooking space, sanitary facilities, and working space for artists, artisans and similarly activities and Custom Industry uses as defined herein.
- D. Multifamily Residential. Two or more dwelling units on a site. This classification includes mobile home and factory-built housing.
- E. Residential Care, Limited. Twenty-four-hour non-medical care for six or fewer persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living.
- F. Single-Family Residential. Buildings containing one dwelling unit located on a single lot. This classification includes mobile home and factory-built housing.
- G. RV Parks. A facility renting or leasing space on a short-term or long-term basis to owners or users of recreational vehicles, not for permanent residence.

440 Public and Semipublic Use Classifications

- ~~A. Airport. Runways and related facilities for airplane landing and take-off.~~
- ~~B. Cemetery. Land used or intended to be used for the burial of human remains and dedicated for cemetery purposes. Cemetery purposes include columbariums, crematoriums, mausoleums, and mortuaries operated in conjunction with the cemetery.~~
- ~~C. Child Care. Non-medical care and supervision on a less than 24-hour basis in any care facility of any capacity, and not within a licensee's home for persons under the age of 18.~~
- ~~DA. Clubs and Lodges. Meeting, recreational, or social facilities of a private or nonprofit organization primarily for use by members or guests. This classification includes union halls, social clubs, youth, and senior centers.~~
- ~~F. Small scale. Establishments occupying no more than 5,000 square feet.~~

- ~~E. Convalescent Facilities. Establishments providing care on a 24-hour basis for persons requiring regular medical attention, but excluding facilities providing surgical or emergency medical services.~~
- ~~FB. Cultural Institutions. Nonprofit institutions displaying or preserving objects of interest in one or more of the arts or sciences. This classification includes libraries, museums, and art galleries.~~
- ~~1. Small-scale. Establishments occupying no more than 5,000 square feet.~~
- ~~GC. Day Care, General. Non-medical care and supervision on a less than 24-hour basis in any care facility of any capacity, and not within a licensee's home for persons over the age of 18.~~
- ~~H. Detention Facilities. Publicly owned and operated facilities providing housing, care, and supervision for persons confined by law.~~
- ~~ID. Emergency Health Care. Facilities providing emergency medical service with no provision for continuing care on an inpatient basis.~~
- ~~J. Emergency Shelter. Overnight sleeping accommodations intended to provide temporary housing to homeless families and/or individuals. Such accommodations may include basic supportive services such as food, shower and rest room facilities, laundry room, storage areas, and limited administrative or intake offices.~~
- ~~KE. Government Offices. Administrative, clerical, or public contact offices of a government agency, including postal facilities, together with incidental storage and maintenance of vehicles.~~
- ~~1. Small-scale. Establishments occupying no more than 5,000 square feet.~~
- ~~L. Heliports. Pads and facilities enabling takeoffs and landings by helicopters.~~
- ~~MF. Hospitals. Facilities providing medical, surgical, psychiatric, or emergency medical services to sick or injured persons, primarily on an inpatient basis. This classification includes incidental facilities for outpatient treatment, as well as training, research, and administrative services for patients and employees.~~

~~N. Maintenance and Service Facilities. Facilities providing maintenance and repair services for vehicles and equipment, and materials storage areas. This classification includes corporation yards, equipment service centers, and similar facilities.~~

~~O. Marinas. A boat basis with docks, mooring facilities, supplies and equipment for boats.~~

~~PG. Park and Recreation Facilities. Noncommercial parks, playgrounds, recreation facilities, and open spaces.~~

~~QH. Public Safety Facilities. Facilities for public safety and emergency services, including police and fire protection.~~

~~1. Small-scale. Establishments occupying no more than 5,000 square feet.~~

~~R. Religious Assembly. Facilities for religious worship and incidental religious education and other religious facility related supportive and social services. This use classification specifically excludes private schools as defined in this section. Only~~

~~1. Small-scale. Establishments occupying no more than 5,000 square feet.~~

~~LJ. Residential Care, General. Twenty-four hour non-medical care for seven or more persons, including wards of the juvenile court, in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living.~~

~~S. Resource Centers. Neighborhood facilities that are City sponsored or under the control of the City and are used for neighborhood safety, enhancement, education, health care, and other similar neighborhood programs.~~

~~U. Schools, Public or Private. Educational institutions having a curriculum comparable to that required in the public schools of the State of California.~~

~~V. Transitional Housing. Transitional housing encompasses both housing and appropriate supportive services for homeless persons designed to enable them to move to independent living within a 24-month period.~~

~~WK. Utilities, Major. Generating plants, electrical substations, aboveground electrical transmission lines, lone switching buildings, refuse collection, transfer, recycling or disposal facilities, water reservoirs, flood control or drainage facilities, water or waste water treatment plants, transportation or communications utilities, and similar facilities of public agencies or public utilities. A structure that may have a significant effect on surrounding uses~~

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shall be regulated under this classification.

~~XL. Utilities, Minor.~~ Utility facilities that are necessary to support legally established uses and involve only minor structures such as electrical distribution lines, underground water and sewer lines, and recycling centers within convenience zones, as defined by the California Beverage Container Recycling and Litter Reduction Act.

450 Commercial Use Classifications

~~A. Adult Businesses.~~ Establishments based primarily on materials or performances that depict, describe, or relate to "specified sexual activities", as defined in Article 36. This classification includes adult businesses that are listed as "regulated uses", as defined in Article 36, Section 3602.

~~BA. Ambulance Services.~~ Provision of emergency medical care or transportation, including incidental storage and maintenance of vehicles.

~~CB. Animal Sales and Services.~~

~~1. Animal Boarding.~~ Provision of shelter and care for animals on a commercial basis. This classification includes activities such as feeding, exercising, grooming, and incidental medical care.

~~21. Animal Grooming.~~ Provision of bathing and trimming services for animals on a commercial basis. This classification includes boarding of domestic animals for a maximum period of 48 hours.

~~3. Animal Hospitals.~~ Establishments where animals receive medical and surgical treatment. This classification includes only facilities that are entirely enclosed, soundproofed, and air-conditioned. Grooming and temporary (30-days) boarding of animals is included if incidental to the hospital use.

~~42. Animals: Product Retail Sales.~~ Retail products associated with domestic animals (dogs, cats, birds, snakes, and small rodents), sales and boarding of animals provided such activities take place within an entirely enclosed building. This classification includes grooming if incidental to the retail use, and boarding of animals not offered for sale for a maximum period of 48 hours.

~~DC. Artists Studios.~~ Work and display space for artists and artisans, including individuals practicing one of the fine arts or performing arts, or skilled in an applied art or craft.

~~1. Only Small-scale.~~ Establishments scale establishments occupying no

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more than 5,000 square feet.

ED. Banks and Savings and Loans. Financial institutions that provide retail banking services to individuals and businesses. This classification is limited to institutions engaged in the on-site circulation of cash money including businesses offering check-cashing facilities. *This excludes check cashing businesses and loan companies not associated with a bank, credit unions or savings and loan.*

1. Drive-through/Drive-up Service. Institutions providing self-service banking facilities that are not associated with a primary banking or savings and loan building located on the same site.
2. Self-service Facilities (ATM's). Institutions providing self-service banking facilities that are not associated with a primary banking or savings and loan building located on the same site.

~~F. Building Materials and Services. Retailing, wholesaling, or rental of building supplies or equipment. This classification includes lumber yards, tool and equipment sales or rental establishments, and building contractors' yards, but excludes establishments devoted exclusively to retail sales of paint and hardware, and activities classified under Vehicle/Equipment Sales and Services, including vehicle towing services.~~

GE. Catering Services. Preparation and delivery of food and beverages for off-site consumption with provision for on-site pickup or consumption not to exceed 1,000 square feet. (See also Eating and Drinking Establishments.)

HE. Commercial Recreation and Entertainment. Provision of participant or spectator recreation or entertainment. This classification includes theaters, sports stadiums and arenas, amusement parks, bowling alleys, billiard parlors, pool rooms, dance halls, ice/roller skating rinks, golf courses, miniature golf courses, scale-model courses, shooting galleries, tennis/racquetball courts, arcades and games centers having five or more coin-operated game machines and card rooms.

~~1. Limited. Indoor movie theaters and performing arts theaters.~~

~~2. Small scale. Establishments occupying no more than 5,000 square feet.~~

IG. Communications Facilities. Broadcasting, recording, and other communication services accomplished through electronic or telephonic mechanisms, but excluding Utilities (Major). This classification includes radio, television, or recording studios; telephone switching centers; and telegraph offices.

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~~J.H. Eating and Drinking Establishments. Businesses serving prepared food or beverages for consumption on or off the premises.~~

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- ~~1. Bars with Live Entertainment/Dancing~~
- ~~2. With Take-out Service. Establishments at which 20 percent or more of the transactions are sales for off-site consumption.~~
 - ~~(a) Drive Through Service from a building to persons in vehicles through an outdoor service window.~~
 - ~~(b) Limited. Establishments that do not serve persons in vehicles. This includes fast-food establishments with no seating and take-out restaurants with seating.~~

~~A place which is regularly and in a bona fide manner used and kept open for the serving of meals to guests for compensation and which has an adequate seating area for the consumption of meals and suitable kitchen facilities for cooking an assortment of foods which may be required for ordinary meals. As used in this definition, the word "meals" means the usual assortment of foods commonly ordered at various hours of the day; the services of only such foods as sandwiches or salads shall not be deemed in compliance with this requirement.~~

~~As used in this definition, the words "suitable kitchen facilities" shall include cooking equipment (such as deep fryers, stoves or ovens) requiring hood fans, an operable dishwashing machine, and a central freezing and refrigeration area.~~

- ~~1. Restaurant. A restaurant is an establishment that serves prepared food and beverages to be consumed on the premises. The term covers a multiplicity of venues and a diversity of styles of cuisine.~~
- ~~2. Espresso Stand. A walk-up or auto-oriented (drive-through) business that dispenses hot and/or cold beverages and pre-prepared food products.~~
- ~~3. Small-scale Entertainment - Small scale live entertainment is permitted and is limited to five or fewer performers, with not dance floor and limited to typical lunch and dinner hours (11:00 a.m. to 11:00 p.m.)~~
- ~~4. Live Entertainment. Establishments providing live entertainment for patrons with six or more performers.~~
- ~~5. Fast Food/Take Out. Restaurants where food and/or beverages are sold ready to go, to be consumed on or off the premises. This does not include drive through.~~

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6. Full Service Liquor.

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Kl. Food and Beverage Sales. Retail sales of food and beverages for off-site preparation and consumption. Typical uses include groceries, liquor stores, or delicatessens. Establishments at which 20 percent or more of the transactions are sales of prepared food for on-site or take-out consumption shall be classified as Catering Services or Eating and Drinking Establishments.

1. Convenience Markets. Retail sales of food, beverage and small convenience items typically found in establishments with long or late hours of operation. This definition excludes delicatessens and other specialty food shops having a sizeable assortment of fresh fruits and vegetables, and fresh-cut meat or fish.

1. Convenience Markets. Retail sales of food, beverage and small convenience items typically found in establishments with long or late hours of operation.

2. Grocery/ Neighborhood Market. Retail sales of food and beverages for off-site preparation and consumption. Principally engaging in the retail sale of staple foodstuffs, household supplies and a sizeable assortment of fresh produce, meats, fish and dairy products. A minimum of 60% of net floor area (excluding storage, aisle ways, check out and customer service areas) shall be dedicated to the sale of staple foodstuffs and fresh items such as produce, meats, fish, and dairy products.

(Net Floor Area - The total floor area within the walls of all buildings on a lot or building site, except for the spaces therein devoted to vents, shafts, and lighting courts, and except for the area devoted exclusively to loading and unloading facilities or parking of motor vehicles).

3. Specialty Market. Retail sales of food and beverages for off-site preparation and consumption. Principally engaging and specializing in the retail sales of one predominate product line such as produce, meat, fish, etc. Such markets may include the incidental sales of other merchandise directly related to the principal product line.

J. Home Occupation. A limited-scale service or fabrication activity, which occurs in a dwelling unit or accessory building and is subordinate to the primary use of the premises for residential purposes, with limitations as set forth within the City of Oceanside business license department.

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1. Live work lofts. May include "professional services that do not require client visits, electronics research and development,

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computer software development, internet based business and the like are permitted. In addition to paper based and/or home based occupations such as engineers, architects, consultants, computer specialists, interior designers, lawyers, and real estate professionals

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~~L. Funeral and Interment Services. Establishments primarily engaged in the provision of services involving the care, preparation or disposition of human dead other than in cemeteries. Typical uses include crematories, columbariums, mausoleums or mortuaries.~~

~~M. Home Improvement. Retailing or wholesaling of goods to be used for home improvements or the furnishing of homes. This classification is limited to specialty businesses in which the primary inventory of the business includes one of the following merchandise: furniture, carpet and other floor coverings, window coverings, wall coverings, bed and bath products, kitchen remodels, doors and windows, garage doors, glass, paint, mattresses, cabinets and shelves, fireplaces, patios, lighting materials, pool and spas, and similar uses. This use classification does not include a comprehensive home improvement store.~~

~~N. Horticulture, Limited. The raising of fruits, vegetables, flowers, ornamental trees and shrubs on sites of 2.5 acres or less, as a wholesale commercial enterprise, provided that nursery equipment or materials necessary for the operation shall be stores on site within structures. Wholesale commercial horticulture accessory to a dwelling unit shall be regulated as a home occupation. On-site Agricultural Sales Stands may be allowed subject to the location and development standards of Section 3038.~~

~~O. Laboratories. Establishments providing medical or dental laboratory services; or establishments with less than 2,000 square feet providing photographic, analytical, or testing services. Other laboratories are classified as Limited Industry.~~

~~P. Maintenance and Repair Services. Establishments providing appliance repair, office machine repair, or building maintenance services. This classification excludes maintenance and repair of vehicles or boats and ships (see Vehicle/Equipment Repair and Marine Sales and Services).~~

~~Q. Marine Sales, Rentals, and Services. Establishments providing supplies and equipment for shipping or related services, or pleasure boating and recreation. Typical uses include chandleries, yacht brokerage, sales, boat yards, boat docks, and sail-making lofts.~~

~~R. Nurseries. Wholesale or retail establishments for the selling of plants, shrubs, trees and related products in which all merchandise other than plants is kept within an enclosed building or a fully screened enclosure, and fertilizer or~~

~~chemicals of any type are stored and sold in package form only. Nurseries may include the growing and propagation of plants as part of the operation.~~

~~SK. Offices, Business and Professional. Offices of firms or organizations providing professional, executive, management, or administrative services, such as architectural, engineering, real estate, insurance, investment, legal, and medical/dental offices. This classification includes medical/dental laboratories incidental to an office use, but excludes banks and savings and loan associations.~~

~~1. Administrative/Business. Establishments providing direct services to clients, including insurance agencies, real estate offices, post offices (not including bulk mailing distribution centers).~~

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~~2. Production. Office-type facilities occupied by businesses engaged in the production of intellectual property. These uses include: advertising agencies, architectural, engineering, planning and surveying services, computer software production and programming services, educational, scientific and research organizations, media postproduction services, photography and commercial art studios, writers and artist's offices.~~

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~~3. Professional. Professional or government offices including: Accounting, auditing and bookkeeping services, attorneys, counseling services, court reporting services, data processing services, detective agencies and similar services, employment, stenographic, secretarial and word processing services, government offices, literary and talent agencies, management and public relations services~~

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~~4. Temporary. A mobile home, recreational vehicle or modular unit used as temporary office facility. Temporary Offices may include: construction supervision offices on a construction site or off-site construction yard, a temporary on-site, which is converted to residential use at the conclusion of its office use.~~

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~~5. Temporary Real Estate. The temporary use of a dwelling unit within a residential development project as a sales office for the units on the same site, which is converted to residential or commercial use at the conclusion of its office use.~~

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TL. Pawn Shops. Establishments engaged in the buying or selling of new or secondhand merchandise and offering loans secured by personal property and subject to Chapter 22 of the Municipal Code. This definition does not include Junk as defined as old or scrap copper, brass, rope, rags, batteries, paper, trash, rubber debris, wastes, machinery, scrap wood, or junked, dismantled or wrecked automobiles, or parts thereof, iron, steel, and other old or scrap ferrous or nonferrous material. Includes any other definitions of junk established in City ordinances.

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UM. Personal Improvement Services. Provision of instructional services or facilities, including: photography, fine arts, crafts, dance or music studios; driving, business or trade schools; diet centers, or reducing salons; and health/fitness studios, spas or clubs.

1. Health Studios or Spas. Establishments with equipment for exercise and physical conditioning.

2. Massage Establishments. Establishments providing massage service. 1. Health/Club/Studio/Spa. Establishments with equipment for exercise and physical conditioning. Facilities offering the use of exercise equipment for public use, and services such as, expertise and instruction for fitness training, weight loss, yoga and aerobics classes. Does not include massage or other medically related services.

2. Day Spa. A day or full service spa must provide at least four different types of services and all services must be provided on the premises during regular business hours and include some type of instructional service. These services may include any of the following: facial therapies, body treatments, hair removal, nail care, salon care, makeup application, permanent cosmetic makeup, skin care treatments, therapeutic massage, aromatherapy, hydrotherapy, and instructional services such as: nutritional counseling, weight management, stress management, medical evaluations, and fitness activities such as: private or personal fitness training, yoga, meditation, and retail products such as: skin and body care products, work out or spa clothing, juice bar, spa or health food cuisine, health food products.

All services shall be administer by licensed cosmetologists, estheticians or similar professionals and should offer a vast array of the highest quality skin, body, health care, and fitness services. At a minimum spas establishment must be: clean, and safe environment; have private treatment rooms for clients receiving a

personal service; business licenses; professional, licensed estheticians and therapists; professional spa products for which estheticians and therapists have received training in their use; and have showering and changing facilities for women and men (when necessary).

3. Accessory Massage. Massage only permitted as an incidental use to a primary use listed above, with a use permit and must abide by all other City Ordinances and Codes.

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VN. Personal Services. Provision of services of a personal nature. This classification includes: barber and beauty shops, seamstresses, tailors, shoe repair shops, laundry and dry cleaning agencies (excluding large-sale plants-- see Section 460.B-4), photo-copying, word processing, packaging, postal and office supply support facilities, and self-service laundries.

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1. Limited. Excludes laundry and dry cleaning agencies and self-service laundries.

W. Research and Development Services. Establishments primarily engaged in industrial or scientific research, including limited product testing. This classification includes electronic research firms, pharmaceutical research laboratories, and medical testing and analysis, but excludes manufacturing, except of prototypes.

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1. Laundromat/Cafe. A commercial establishment offering self-serve and assisted laundry facilities for public use in conjunction with some type of food or beverage service.
2. General Repair. The repair of small appliances, stereo equipment, electronic pieces and computers. This term does not include the repair of motor vehicles, motorcycles, lawnmowers or garden equipment.

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XO. Retail (General) Sales. The retail sale of merchandise not specifically listed under another use classification. This classification includes department stores, clothing stores, comprehensive home improvement stores, furniture stores, and businesses retailing the following goods: toys, hobby materials, handcrafted items, jewelry, cameras, photographic supplies (including limited processing), electronic equipment, records, sporting goods, kitchen utensils, hardware, appliances, antiques, art supplies and services, paint and wallpaper, carpeting and floor covering, office supplies, bicycles, and new automotive parts and accessories (excluding service and installation).

This classification includes artist supplies, bakeries, bicycles, books, cameras

and photographic supplies, clothing and accessories, department stores, drug stores, dry goods, fabrics and sewing supplies, florist and houseplants, hobby material, jewelry, luggage and leather goods, specialty home improvement stores, specialty furniture stores, handcrafted items, jewelry, electronic equipment, records, sporting goods, kitchen utensils, appliances, office supplies, bicycles, and musical instruments, specialty shops, religious goods, stationery, toys, and games.

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1. Antiques, Antique Shop. Any article which, because of age, rarity or historical significance, has a monetary value greater than the original value, or which has an age recognized by the United States Government as entitling the article to an import duty less than that prescribed for contemporary merchandise. A store or shop selling only such articles or offering them for sale shall be considered as an antique shop or store, and not considered as a dealership handling used or secondhand merchandise.
2. Custom Retail. Establishments primarily engaged in on-site production of goods by hand manufacturing involving the use of hand tools and small-scale mechanical equipment not exceeding two (2) horsepower or a single kiln not exceeding eight (8) kilowatts; and the direct sale to consumers of those goods produced on-site. Products made incident to a permitted use may be sold at retail on the premises, and not more than three (3) people shall be employed in the production process. Typical uses include but are not limited to ceramic studios, candle-making shops, and custom jewelry production.
3. Secondhand Furniture, Appliance, "Collectible" and Clothing Sales. The retail sale of used furniture, appliances, "collectibles" and clothing, and secondhand dealers who are subject to Chapter 22 of the Municipal Code. This classification excludes antique shops primarily engaged in the sale of antique furniture and accessories. Only small establishments occupying no more than 5,000 square feet.
4. *Wine Tasting. Retail establishments for the sale of bottled wine and which offer wine tasting and the sale of wine for on-site consumption in connection with the marketing of wines offered for sale on the premises. With the exception of wine and featured micro-brews, no beverages or items containing alcohol shall be offered for sale or consumed on the premises. Non-alcoholic retail items associated with wine drinking such as wine glasses, decanters, ice buckets, toppers, serving implements, snack foods and non alcoholic beverages may also be offered for sale. Wine tasting shall only occur in an enclosed area not accessible for persons under the age of 21.*

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~~1. Limited. Excludes comprehensive home improvement stores, furniture, hardware, paint and wallpaper, carpeting and floor covering, and new automotive parts and accessories.~~

~~2. Pharmacies and Medical Supplies. Establishments primarily selling prescription drugs, and medical supplies and equipment.~~

~~Y. Secondhand Furniture, Appliance, "Collectible" and Clothing Sales. The retail sale of used furniture, appliances, "collectibles" and clothing, and secondhand dealers who are subject to Chapter 22 of the Municipal Code. This classification excludes antique shops primarily engaged in the sale of antique furniture and accessories.~~

~~Z. Swap Meets, Recurring. Retail sale or exchange of handcrafted or secondhand merchandise for a maximum period of 48 hours, conducted by a sponsor on a more than twice yearly basis.~~

~~AAP. Travel Services. Establishments providing travel information and reservations to individuals and businesses. This classification excludes car rental agencies.~~

~~BB. Vehicle/Equipment Sales and Services.~~

~~1. Automobile Washing. Washing, waxing, or cleaning of automobiles or similar light vehicles.~~

~~2. Commercial Parking Facility. Lots offering short-term or long-term parking to the public for a fee.~~

~~3. Service Stations. Establishments engaged in the retail sale of gas, diesel fuel, lubricants, parts, and accessories. This classification includes incidental maintenance and repair of automobiles and light trucks, but excludes body and fender work or repair of heavy trucks or vehicles.~~

~~4. Vehicle/Equipment Repair. Repair of automobiles, trucks, motorcycles, mobile homes, recreational vehicles, or boats, including the sale, installation, and servicing of related equipment and parts. This classification includes auto repair shops, body and fender shops, wheel and brake shops, and tire sales and installation, but excludes vehicle dismantling or salvage and tire retreading or recapping.~~

~~(a) Limited. Excludes body and fender shops.~~

~~5. Vehicle/Equipment Sales and Rentals. Sale or rental of automobiles, motorcycles, trucks, tractors, construction or agricultural equipment, mobile homes, and similar equipment, including storage and incidental maintenance.~~

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~~6. Vehicle Storage. Storage of operative or inoperative vehicles. This classification includes storage of parking tow-aways, impound yards, and storage lots for automobiles, trucks, buses and recreational vehicles, but does not include vehicle dismantling.~~

~~(a) Limited. Storage of operable passenger automobiles, standard and small vans and motorcycles.~~

~~Q. Automotive Rental (small scale). Rental of vehicles; limited to five rental cars.~~

~~CC. Visitor Accommodations.~~

~~1. Bed and Breakfast Inns. Establishments offering lodging on a less than weekly basis in a converted single-family or multi-family dwelling, with incidental eating and drinking service for lodgers only provided from a single kitchen.~~

~~(a) Small-scale. Establishments renting four or fewer rooms.~~

~~2. Hotels, Motels, and Time-Share Facilities. Establishments offering commercial lodging on a less than monthly basis. This classification includes incidental eating, drinking, and banquet services intended for the convenience of guests.~~

~~3. Single-Room-Occupancy (SRO) Residential Hotels. Buildings with six or more guest rooms without kitchen facilities in individual rooms, or kitchen facilities for the exclusive use of guests, and which are also the primary residences of the hotel guests.~~

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~~4. Vacation Club. Prepaid point or credit based establishments offering lodging on a less than weekly basis and having kitchens. This classification includes eating, drinking and banquet services.~~

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~~R. Visitor Accommodations - Unit Types~~

~~1. Hotel: a unit rented on a nightly basis.~~

~~2. Timeshare: A form of shared property ownership in which a purchaser acquires the right to occupy a unit for a specific period of time, typically one or~~

two weeks, each year. Timeshare ownership usually relates not to a particular unit but rather to the right to use one of a number of similar units at a particular property for a designated period of time.

3. Fractional: A form of shared property ownership similar to a timeshare in which a purchaser acquires the right to occupy a unit for a specific period of time, typically three to five weeks, each year. Fractional owners also usually have the ability to book time outside their designated annual period based on property availability.

4. Condo-Hotel: A form of condominium ownership interest in which a particular unit is wholly owned by a single owner but the occupancy of which is restricted.

5. Limited Use Overnight Accommodations: Collectively, any transient-serving accommodations with an ownership interest, including timeshares, fractional units, and condo-hotel units, wherein a purchaser receives the right in perpetuity, for life, or for a term of years, to the recurrent, exclusive use or occupancy of a lot, parcel, unit, room(s), or segment of the facility, annually or on some other seasonal or periodic basis, for a period of time that has been or will be allotted from the use or occupancy periods into which the facility has been divided.

Any hotel rooms for which a Certificate of Occupancy has been issued at the effective date of adoption of this section shall not be converted to a Limited Use Overnight Accommodation. Covenants, Conditions, and Restrictions (CC&R's) shall be recorded concurrently with the recordation of all tract maps against all individual property titles reflecting the use restrictions described later in this section.

Visitor Accommodations - Facility Types

1. Bed and Breakfast Inns. Establishments offering hotel lodging on a less-than-weekly basis in a converted single-family or multi-family dwelling, with incidental eating service for lodgers only provided from a single kitchen and consistent with Article 3031 of the Zoning Ordinance.

2. Hotels and Motels. Establishments offering commercial lodging on a less-than-30-day basis. This classification includes incidental food, beverage, and banquet service for the convenience of guests.

3. Resort. A resort is defined as a full service hotel of greater than 200 rooms with pool, spa, or similar amenities and full service restaurant.

4. Timeshare/Fractional Ownership Hotel. A facility providing overnight visitor accommodations where some of the guest rooms are timeshares or

fractional units as defined above. Fractional/timeshare owners may occupy their units no more than 90 days per calendar year with a maximum of 29 days of use during any 60-day period. When a timeshare/fractional ownership unit is not occupied by one of its owners, that unit shall be made available to the general public through the hotel operator. If a Timeshare/Fractional Ownership Hotel includes traditional hotel units, the facility may use those rooms alone or in combination with its timeshare/fractional units to satisfy any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations during the summer season.

5. Condominium Hotel. A facility providing overnight visitor accommodations where some of the guest rooms are condo-hotel units as defined above. Condo-hotel owners may occupy their units no more than 90 days per calendar year with a maximum of 29 days of use during any 60-day period. When a condo-hotel unit is not occupied by its owner, that unit shall be made available to the general public through the hotel operator. If a Condominium Hotel includes traditional hotel units, the facility may use those rooms alone or in combination with its condo-hotel units and timeshare/fractional units, if any, to satisfy any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations during the summer season. Condo hotel units shall not be permitted on tide-land properties.

6. Integrated Resort: A facility that includes traditional hotel lodging in combination with Limited Use Overnight Visitor Accommodations. Up to 49% of the total rooms in an Integrated Resort may be Limited Use Overnight Visitor Accommodations in any combination. No more than 15% of the total rooms in an Integrated Resort may be Fractional units. An owner of a Limited Use Overnight Visitor Accommodation may occupy their unit no more than 90 days per calendar year with a maximum of 29 days of use during any 60-day period. An Integrated Resort is exempt from any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations during the summer season.

Hotel Owner/Operator – The entity that owns and operates a hotel. If the hotel operator is separate from the hotel owner, both shall be jointly and severally responsible for ensuring compliance with the requirements described in the Local Coastal Plan and/or recorded against the property, as well as jointly and severally liable for violations of said requirements and restrictions.

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~~DD. Warehousing and Storage, Limited. Provision of storage space for household or commercial goods within an enclosed building. Access to individual storage units shall be via an interior accessway. Exterior entry to individual storage units shall not be permitted. This classification includes~~

facilities with a maximum of 5,000 square feet of gross floor area, but excludes Wholesale, Distribution and Storage, and Vehicle Storage. "Limited" vehicle storage as part of a Warehousing and Storage, Limited, facility is permitted subject to the approval of a Conditional Use Permit.

460—Industrial Use Classifications

~~A. Food Processing. Establishments primarily engaged in the manufacturing or processing and packaging of food or beverages for human consumption and wholesale distribution.~~

~~1. Limited. Establishments of less than 2500 square feet of floor area.~~

~~B. Industry, Custom. Establishments primarily engaged in on-site production of goods by hand manufacturing involving the use of hand tools and small-scale equipment. This use may include affiliated office and support facilities and limited showroom and a retail sales area when clearly secondary and associated with the primary business.~~

~~1. Limited. Includes mechanical equipment not exceeding two horsepower or a single kiln not exceeding eight kilowatts and the incidental direct sale to consumers of only those goods produced on-site. Typical uses include ceramic studios, candle-making shops, and custom jewelry manufacture.~~

~~C. Industry, General. Manufacturing of products, primarily from extracted or raw materials, or bulk storage and handling of such products and materials. Uses in this classification typically involve a high incidence of truck or rail traffic, and/or outdoor storage of products, materials, equipment, or bulk fuel. This classification includes chemical manufacture or processing, large scale laundry and dry cleaning plants, auto dismantling within an enclosed building, oil and gas refining, stonework and concrete products manufacture, small animal production and processing within an enclosed building and power generation.~~

~~1. Large Scale Laundry and Dry Cleaning Plants. A laundry or dry cleaning facility having any of the following or similar type equipment:~~

~~(a) Boiler(s) exceeding a total of 15 horsepower;~~

~~(b) Dry cleaning machine(s) exceeding 60 pounds total capacity;~~

~~(c) Dryer(s) exceeding 50 pounds total capacity;~~

~~(d) Wet cleaning washer(s) exceeding 50 pounds total capacity.~~

- ~~D. Industry, Limited. Manufacturing of finished parts or products, primarily from previously prepared materials; and provision of industrial services; both within an enclosed building. This classification includes processing, fabrication, assembly, treatment, and packaging, but excludes basic industrial processing from raw materials; and Vehicle/Equipment Services. This classification may include affiliated office and support facilities and a limited showroom and retail sales area when clearly secondary and associated with the primary business.~~
- ~~1. Small Scale. Limited to a maximum gross floor area of 5,000 square feet.~~
- ~~E. Industry, Research and Development. Establishments primarily engaged in the research, development, and controlled production of high technology electronic, industrial or scientific products or commodities for sale, but prohibits uses that may be objectionable in the opinion of the Planning Director, by reason of production of offensive odor, dust, noise, vibration, or storage of hazardous materials. Uses include biotechnology, films, and non-toxic computer component manufacturers. This classification may include affiliated office and support facilities and a limited showroom and retail sales area when clearly secondary and associated with the primary business.~~
- ~~F. Wholesaling, Distribution and Storage. Storage and distribution facilities. This classification may include affiliated office and support facilities and a limited showroom and retail sales area when clearly secondary and associated with the primary business.~~
- ~~1. Trucking Terminals. Storage and distribution facilities having more than six heavy trucks on the premises at one time, but excluding trucking accessory to a Limited or General Industry classification.~~
- ~~2. Small Scale. Wholesaling, distribution and storage having a maximum gross floor area of 5,000 square feet and having no more than two docks or service bays.~~

~~470~~ ~~Agricultural and Extractive Use Classifications~~

- ~~A. Animal Husbandry. Raising of animals or production of animal products, such as eggs or dairy products, on an agricultural or wholesale commercial basis. Typical uses include grazing, ranching, animal breeding, dairy farming, and poultry farming.~~
- ~~B. Crop Production. Raising and harvesting of tree crops, row crops, greenhouse crops or field crops on sites of greater than 2.5 acres on an agricultural or wholesale commercial basis, including packing and processing.~~
- ~~C. Mining and Processing. Places or plants primarily devoted to surface or subsurface mining of metallic and nonmetallic minerals, oil or gas, together with essential on-site processing and production of only nonmetallic mineral products. Typical places are borrow pits, quarries, oil and gas drilling rigs, or concrete batch plants. This classification specifically excludes any activities that are directly or indirectly associated with off-shore oil and gas exploration, production, or processing.~~

~~4860~~ ~~Accessory Use Classifications~~

- ~~A. Accessory Uses and Structures. Uses and structures that are incidental to the principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. This classification includes accessory dwelling units ("second units") and home occupations.~~

~~4970~~ ~~Temporary Use Classifications~~

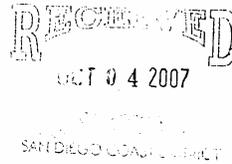
- ~~A. Agricultural Specialty Sales, Seasonal. Retail sale of seasonal specialty items for a period not to exceed 45 days (e.g. Christmas Tree Sales, Pumpkin Sales).~~
- ~~B. Yard/Garage Sales. A sales event advertised by any means at a residential location where members of the public may purchase identifiable or tangible items of personal property; provided however, it shall not mean any event which constitutes a sales activity, wholesale or retail, by any business which has a current business license issued by the City. Items sold shall be limited to personal property owned by the occupant of the property and/or surrounding neighbors.~~

NEW

Article 4(a) Redevelopment Project Area Use Classifications

Sections:

- 410 Purpose and Applicability
- 420 Uses Not Classified
- 430 Residential Use Classifications
- 440 Public and Semipublic Use Classifications
- 450 Commercial Use Classifications
- 460 Accessory Use Classifications
- 470 Temporary Use Classifications



410 Purpose and Applicability

The uses classifications describe herein are only applicable within the **Redevelopment Project Area**. The uses describe one or more uses having similar characteristics, but do not list every use or activity that may appropriately be within the classification. The **Economic Development & Redevelopment Director** shall determine whether a specific use shall be deemed to be within one or more use classifications or not within any classification in this Title. **The Economic Development & Redevelopment Director** may determine that a specific use shall not be deemed to be within a classification, whether or not named within the classification, if its characteristics are substantially incompatible with those typical of uses named within the classification. The

Economic Development & Redevelopment Director's decision may be appealed to the Community Development Commission.

420 Uses Not Classified

Any new use, or any use that cannot be clearly determined to be in an existing use classification, may be incorporated into the zoning regulations by a Zoning Ordinance text amendment, as provided in Article 45.

430 Residential Use Classifications

- A. Day Care, Limited. Non-medical care and supervision of up to and including fourteen persons on a less than 24-hour basis within a licensee's home for children and adults.
- B. Group Residential. Shared living quarters without separate kitchen or bathroom facilities for each room or unit. This classification includes

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boardinghouses, dormitories, fraternities, sororities, and private residential clubs, but excludes residential hotels (see Single-Room Occupancy (SRO) Residential Hotels).

- C. Live/Work Quarters. An area comprising one or more rooms in a building originally designed for industrial or commercial occupancy that includes cooking space, sanitary facilities, and working space for artists, artisans and similarly activities and Custom Industry uses as defined herein.
- D. Multifamily Residential. Two or more dwelling units on a site. This classification includes mobile home and factory-built housing.
- E. Residential Care, Limited. Twenty-four-hour non-medical care for six or fewer persons in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living.
- F. Single-Family Residential. Buildings containing one dwelling unit located on a single lot. This classification includes mobile home and factory-built housing.

440 Public and Semipublic Use Classifications

- A. Child Care. Non-medical care and supervision on a less than 24-hour basis in any care facility of any capacity, and not within a licensee's home for persons under the age of 18.
- B. Clubs and Lodges. Meeting, recreational, or social facilities of a private or nonprofit organization primarily for use by members or guests. This classification includes union halls, social clubs, youth, and senior centers.
- C. Convalescent Facilities. Establishments providing care on a 24-hour basis for persons requiring regular medical attention, but excluding facilities providing surgical or emergency medical services.
- D. Cultural Institutions. Nonprofit institutions displaying or preserving objects of interest in one or more of the arts or sciences. This classification includes libraries, museums, and art galleries.
- E. Day Care, General. Non-medical care and supervision on a less than 24-hour basis in any care facility of any capacity, and not within a licensee's home for persons over the age of 18.
- F. Emergency Health Care. Facilities providing emergency medical service with no provision for continuing care on an inpatient basis.

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- G. Government Offices. Administrative, clerical, or public contact offices of a government agency, including postal facilities, together with incidental storage and maintenance of vehicles.
- H. Hospitals. Facilities providing medical, surgical, psychiatric, or emergency medical services to sick or injured persons, primarily on an inpatient basis. This classification includes incidental facilities for outpatient treatment, as well as training, research, and administrative services for patients and employees.
- I. Park and Recreation Facilities. Noncommercial parks, playgrounds, recreation facilities, and open spaces.
- J. Public Safety Facilities. Facilities for public safety and emergency services, including police and fire protection.
- K. Religious Assembly. Facilities for religious worship and incidental religious education and other religious facility related supportive and social services. This use classification specifically excludes private schools as defined in this section. **Only Small-scale establishments occupying no more than 5,000 square feet.**
- L. Residential Care, General. Twenty-four hour non-medical care for seven or more persons, including wards of the juvenile court, in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living.
- M. Resource Centers. Neighborhood facilities that are City-sponsored or under the control of the City and are used for neighborhood safety, enhancement, education, health care, and other similar neighborhood programs.
- N. Schools, Public or Private. Educational institutions having a curriculum comparable to that required in the public schools of the State of California.
- O. Transitional Housing. Transitional housing encompasses both housing and appropriate supportive services for homeless persons designed to enable them to move to independent living within a 24-month period.
- P. Utilities, Major. Generating plants, electrical substations, aboveground electrical transmission lines, lone switching buildings, refuse collection, transfer, recycling or disposal facilities, water reservoirs, flood control or drainage facilities, water or waste water treatment plants, transportation or

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communications utilities, and similar facilities of public agencies or public utilities. A structure that may have a significant effect on surrounding uses shall be regulated under this classification.

- Q. Utilities, Minor. Utility facilities that are necessary to support legally established uses and involve only minor structures such as electrical distribution lines, underground water and sewer lines, and recycling centers within convenience zones, as defined by the California Beverage Container Recycling and Litter Reduction Act.

450 Commercial Use Classifications

- A. Ambulance Services. Provision of emergency medical care or transportation, including incidental storage and maintenance of vehicles.
- B. Animal Sales and Services.
1. Animal Grooming. Provision of bathing and trimming services for animals on a commercial basis. This classification includes boarding of domestic animals for a maximum period of 48 hours.
 2. Animal Product Sales. Retail products associated with domestic animals (dogs, cats, birds, snakes, and small rodents).
- C. Artists Studios. Work and display space for artists and artisans, including individuals practicing one of the fine arts or performing arts, or skilled in an applied art or craft. **Only small-scale establishments occupying no more than 5,000 square feet.**
- D. Banks and Savings and Loans. Financial institutions that provide retail banking services to individuals and businesses. This classification is limited to institutions engaged in the on-site circulation of cash money including businesses offering check-cashing facilities. **This excludes check cashing businesses and loan companies not associated with a bank, credit unions or savings and loan.**
1. Drive-through/Drive-up Service. Institutions providing self-service banking facilities that are not associated with a primary banking or savings and loan building located on the same site.
 2. Self-service Facilities (ATM's). Institutions providing self-service banking facilities that are not associated with a primary banking or savings and loan building located on the same site.

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- E. Catering Services. Preparation and delivery of food and beverages for off-site consumption with provision for on-site pickup or consumption not to exceed 1,000 square feet. (See also Eating and Drinking Establishments.)
- F. Commercial Recreation and Entertainment. Provision of participant or spectator recreation or entertainment. This classification includes theaters, sports stadiums and arenas, amusement parks, bowling alleys, billiard parlors, pool rooms, dance halls, ice/roller skating rinks, golf courses, miniature golf courses, scale-model courses, shooting galleries, tennis/racquetball courts, arcades and games centers having five or more coin-operated game machines and card rooms.
- G. Communications Facilities. Broadcasting, recording, and other communication services accomplished through electronic or telephonic mechanisms, but excluding Utilities (Major). This classification includes radio, television, or recording studios; telephone switching centers; and telegraph offices.

H. Eating and Drinking Establishments.

A place which a "bona fide public eating place" is used and kept open for the serving of meals to guests for compensation and which has an adequate seating area for the consumption of meals and suitable kitchen facilities for cooking an assortment of foods which may be required for ordinary meals. As used in this definition, the word "meals" means the usual assortment of foods commonly ordered at various hours of the day; the services of only such foods as sandwiches or salads shall not be deemed in compliance with this requirement.

As used in this definition, the words "suitable kitchen facilities" shall include cooking equipment (such as deep fryers, stoves or ovens) requiring hood fans, an operable dishwashing machine, and a central freezing and refrigeration area.

1. Restaurant. A restaurant is an establishment that serves prepared food and beverages to be consumed on the premises. The term covers a multiplicity of venues and a diversity of styles of cuisine. A restaurant may serve beer and wine with a valid ABC and where a substantial amount of sales include meals during normal meal hours and that they are open at least five days a week.
2. Espresso Stand (drive-through). A walk-up, sit down or auto-oriented business, that dispenses hot and/or cold

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beverages and pre-prepared food products.

3. Small-scale Entertainment - Small scale live entertainment is permitted and is limited to five or fewer performers, with not dance floor and limited to typical lunch and dinner hours (11:00 a.m. to 11:00 p.m.)
 4. Live Entertainment. Establishments providing live entertainment for patrons with six or more performers.
 5. Fast Food/Take Out. Restaurants where food and/or beverages are sold ready to go, to be consumed on or off the premises. This does not include drive through.
 6. Full Service Liquor. A restaurant that is authorized to sell beer, wine and distilled spirits for consumption on the premises. Restaurant must operate and maintain an ABC license and premises must operate as a "bona fide public eating place", where a substantial amount of sales include meals during normal meal hours and that they are open at least five days a week.
- I. Food and Beverage Sales. Retail sales of food and beverages for off-site preparation and consumption. Typical uses include groceries, liquor stores, or delicatessens. Establishments at which 20 percent or more of the transactions are sales of prepared food for on-site or take-out consumption shall be classified as Catering Services or Eating and Drinking Establishments.
1. Convenience Markets. Retail sales of food, beverage and small convenience items typically found in establishments with long or late hours of operation.
 2. Grocery Neighborhood Market. Retail sales of food and beverages for off-site preparation and consumption. Principally engaging in the retail sale of staple foodstuffs, household supplies and a sizeable assortment of fresh produce, meats, fish and dairy products. A minimum of 60% of net floor area (excluding storage, aisle ways, check out and customer service areas) shall be dedicated to the sale of staple foodstuffs and fresh items such as produce, meats, fish, and dairy products.

(Net Floor Area - The total floor area within the walls of all buildings on a lot or building site, except for the

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spaces therein devoted to vents, shafts, and lighting courts, and except for the area devoted exclusively to loading and unloading facilities or parking of motor vehicles).

3. **Specialty Market.** Retail sales of food and beverages for off-site preparation and consumption. Principally engaging and specializing in the retail sales of one specific product line such as produce, meat, fish, etc. Such markets may include the incidental sales of other merchandise directly related to the principal product line.

- J. **Home Occupation.** A limited-scale service or fabrication activity, which occurs in a dwelling unit or accessory building and is subordinate to the primary use of the premises for residential purposes, with limitations as set forth within the City of Oceanside business license department.
- K. **Live work lofts.** May include "professional services that do not require client visits, electronics research and development, computer software development, internet based business and the like are permitted. In addition to paper based and/or home based occupations such as engineers, architects, consultants, computer specialists, interior designers, lawyers, and real estate professionals.
- L. **Marine Sales, Rentals, and Services.** Establishments providing supplies and equipment for shipping or related services, or pleasure boating and recreation. Typical uses include chandleries, yacht brokerage, sales, boat yards, boat docks, and sail-making lofts.
- M. **Offices, Business and Professional.** Offices of firms or organizations providing professional, executive, management, or administrative services.
1. **Administrative/Business.** Establishments providing direct services to clients, including insurance agencies, real estate offices, post offices (not including bulk mailing distribution centers).
 2. **Production.** Office-type facilities occupied by businesses engaged in the production of intellectual property. These uses include: advertising agencies, architectural, engineering, planning and surveying services, computer software production and programming services, educational, scientific

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and research organizations, media postproduction services, photography and commercial art studios, writers and artist's offices.

3. **Professional**. Professional or government offices including: Accounting, auditing and bookkeeping services, attorneys, counseling services, court reporting services, data processing services, detective agencies and similar services, employment, stenographic, secretarial and word processing services, government offices, literary and talent agencies, management and public relations services
 4. **Temporary**. A mobile home, recreational vehicle or modular unit used as temporary office facility. Temporary Offices may include: construction supervision offices on a construction site or off-site construction yard; a temporary on-site, which is converted to residential use at the conclusion of its office use.
 5. **Temporary Real Estate**. The temporary use of a dwelling unit within a residential development project as a sales office for the units on the same site, which is converted to residential or commercial use at the conclusion of its office use.
- N. **Pawn Shops**. Establishments engaged in the buying or selling of new or secondhand merchandise and offering loans secured by personal property and subject to Chapter 22 of the Municipal Code. **This definition does not include Junk as defined as old or scrap copper, brass, rope, rags, batteries, paper, trash, rubber debris, wastes, machinery, scrap wood, or junked, dismantled or wrecked automobiles, or parts thereof; iron, steel, and other old or scrap ferrous or nonferrous material. Includes any other definitions of junk established in City ordinances.**
- O. **Personal Improvement Services**. Provision of instructional services or facilities, including: photography, fine arts, crafts, dance or music studios; driving, business or trade schools; diet centers, or reducing salons; and health/fitness studios, spas or clubs.

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1. Health/Club/Studio/Spa. Establishments with equipment for exercise and physical conditioning. Facilities offering the use of exercise equipment for public use, and services such as, expertise and instruction for fitness training, weight loss, yoga and aerobics classes. Does not include massage or other medically related services.
2. Day Spa. A day or full service spa must provide at least four different types of services and all services must be provided on the premises during regular business hours and include some type of instructional service. These services may include any of the following: facial therapies, body treatments, hair removal, nail care, salon care, makeup application, permanent cosmetic makeup, skin care treatments, therapeutic massage, aromatherapy, hydrotherapy, and instructional services such as; nutritional counseling, weight management, stress management, medical evaluations, and fitness activities such as; private or personal fitness training, yoga, meditation, and retail products such as; skin and body care products, work out or spa clothing, juice bar, spa or health food cuisine, health food products.

All services shall be administer by licensed cosmetologists, estheticians or similar professionals and should offer a vast array of the highest quality skin, body, health care, and fitness services. At a minimum spas establishment must be: clean, and safe environment; have private treatment rooms for clients receiving a personal service; business licenses; professional, licensed estheticians and therapists; professional spa products for which estheticians and therapists have received training in their use; and have showering and changing facilities for women and men (when necessary).

3. Accessory Massage. Massage only permitted as an incidental use to a primary use listed above, with a use permit and must abide by all other City Ordinances and Codes.
- P. Personal Services. This classification includes: photo-copying, word processing, packaging, postal and office supply support facilities.
1. Laundromat/Cafe. A commercial establishment offering self-serve and assisted laundry facilities for public use in

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conjunction with some type of food or beverage service.

2. **General Repair.** The repair of small appliances, stereo equipment, electronic pieces and computers. This term does not include the repair of motor vehicles, motorcycles, lawnmowers or garden equipment.
- Q. **Retail (General) Sales.** The retail sale of merchandise not specifically listed under another use classification. This classification includes artist supplies, bakeries, bicycles, books, cameras and photographic supplies, clothing and accessories, department stores, drug stores, dry goods, fabrics and sewing supplies, florist and houseplants, hobby material, jewelry, luggage and leather goods, home improvement stores, furniture stores, handcrafted items, jewelry, cameras, photographic supplies (including limited processing), electronic equipment, records, sporting goods, kitchen utensils, hardware, appliances, art supplies and services, paint and wallpaper, carpeting floor covering, office supplies, bicycles, and musical instruments, parts and accessories, specialty shops, religious goods, sporting goods and equipment, stationery, toys and games and variety stores.
1. **Antiques, Antique Shop.** Any article which, because of age, rarity or historical significance, has a monetary value greater than the original value, or which has an age recognized by the United States Government as entitling the article to an import duty less than that prescribed for contemporary merchandise. A store or shop selling only such articles or offering them for sale shall be considered as an antique shop or store, and not considered as a dealership handling used or secondhand merchandise.
 2. **Custom Retail.** Establishments primarily engaged in on-site production of goods by hand manufacturing involving the use of hand tools and small-scale mechanical equipment not exceeding two (2) horsepower or a single kiln not exceeding eight (8) kilowatts; and the direct sale to consumers of those goods produced on-site. Products made incident to a permitted use may be sold at retail on the premises, and not more than three (3) people shall be employed in the production process. Typical uses include but are not limited to ceramic studios, candle-making shops, and custom jewelry production.
 3. **Secondhand Furniture, Appliance, "Collectible" and Clothing**

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Sales. The retail sale of used furniture, appliances, "collectibles" and clothing, and secondhand dealers who are subject to Chapter 22 of the Municipal Code. This classification excludes antique shops primarily engaged in the sale of antique furniture and accessories. Only small establishments occupying no more than 5,000 square feet.

4. **Wine Tasting.** Retail establishments for the sale of bottled wine and which offer wine tasting and the sale of wine for on-site consumption in connection with the marketing of wines offered for sale on the premises. With the exception of wine and featured micro-brews, no beverages or items containing alcohol shall be offered for sale or consumed on the premises. Non-alcoholic retail items associated with wine drinking such as wine glasses, decanters, ice buckets, toppers, serving implements, snack foods and non alcoholic beverages may also be offered for sale. Wine tasting shall only occur in an enclosed area not accessible for persons under the age of 21.
- R. **Travel Services.** Establishments providing travel information and reservations to individuals and businesses. This classification excludes car rental agencies.
- S. **Automotive Rental (small scale). Rental of vehicles; limited to five rental cars.**
- T. **Visitor Accommodations**
 1. **Bed and Breakfast Inns.** Establishments offering lodging on a less than weekly basis in a converted single-family or multi-family dwelling, with incidental eating and drinking service for lodgers only provided from a single kitchen.
 2. **Hotels and Motels.** Establishments offering commercial lodging on a less than monthly basis. This classification includes incidental eating, drinking, and banquet services intended for the convenience of guests.
 3. **Timeshare.** A facility or arrangement, plan, or similar program, other than an exchange program, whereby a purchaser receives ownership rights in or the right to use accommodations for a period of time less than a full year during any given year, on a recurring basis for more than one year, but not necessarily for consecutive years.

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4. **Fractional Ownership Hotel.** A facility providing overnight visitor accommodations where at least some of the guestrooms are owned separately by multiple owners on a fractional time basis. A fractional time basis means that an owner receives exclusive right to use of the individual unit for a certain quantity of days per year and each unit available for fractional ownership will have multiple owners. When a fractional ownership unit is not occupied by one of its owners, that unit shall be made available to the general public through the hotel operator. If a Fractional Ownership Hotel includes traditional hotel units, the facility may use those rooms alone or in combination with its fractional units to satisfy any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations in the summer season, which is Memorial weekend through Labor Day.
5. **Condominium Hotel.** A facility providing overnight visitor accommodations, where at least some of the guest rooms are in the form of separate condominium ownership interests. When a condo-hotel unit is not occupied by its owner, that unit shall be made available to the general public through the hotel operator. If a Condominium Hotel includes traditional hotel units, the facility may use those rooms alone or in combination with its condo-hotel units to satisfy any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations in the summer season, which is Memorial weekend through Labor Day.
6. **Resort.** A resort is defined as a full service hotel of greater than 200 rooms with pool, spa, or similar amenities and full service restaurant.
7. **Integrated Resort:** A resort that includes both traditional hotel lodging and some combination of timeshares, fractional time shares, or condo-hotel units. Up to 25% of the total rooms in an Integrated Resort may be timeshare, fractional timeshare or condo-hotel units; however, no more than 15% of the total rooms in an Integrated Resort may be Fractional timeshare units. An Integrated Resort is exempt from any requirement that a substantial portion of its units be permanently reserved

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for transient overnight accommodations in the summer season, which is Memorial weekend through Labor Day.

Visitor Accommodations-Special requirements

1. Hotel Owner/Operator – The entity that owns and operates a hotel. If the hotel operator is separate from the hotel owner, both shall be jointly and severally responsible for ensuring compliance with the requirements described in the Local Coastal Plan and/or recorded against the property, as well as jointly and severally liable for violations of said requirements and restrictions. The owner/operator shall manage all guestrooms/units as part of the hotel inventory, which management shall include the booking of reservations, mandatory front desk check-in and check-out, maintenance, cleaning services and preparing units for use by guest and owners. Owner/operator shall retain control of all land, structures, recreational amenities, meeting spaces, restaurants, "back of house" and other quest-room facilities.
2. Hotel Conversion - Any hotel rooms for which a Certificate of Occupancy has been issued at the effective date of adoption of this section shall not be converted to an Integrated Resort.
3. New projects - will be required to prepare Covenants, Conditions, and Restrictions (CC& R's) that shall be recorded concurrently with the recordation of all tract maps against all individual property titles reflecting the use restrictions, in particular how the transient overnight requirement for summer season will be satisfied.
4. Limited occupancy - An owner of a timeshare, fractional timeshare or condo hotel unit, may occupy their unit no more than 90 days per calendar year with a maximum of 29 days of use during any 60-day period.

460 Accessory Use Classifications

- A. Accessory Uses and Structures. Uses and structures that are incidental to the principal permitted or conditionally permitted use or structure on a site and are customarily found on the same site. This classification includes accessory

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dwelling units ("second units") and home occupations.

470 Temporary Use Classifications

- A. Agricultural Specialty Sales, Seasonal. Retail sale of seasonal specialty items for a period not to exceed 45 days (e.g. Christmas Tree Sales, Pumpkin Sales).
- B. Yard/Garage Sales. A sales event advertised by any means at a residential location where members of the public may purchase identifiable or tangible items of personal property; provided however, it shall not mean any event which constitutes a sales activity, wholesale or retail, by any business which has a current business license issued by the City. Items sold shall be limited to personal property owned by the occupant of the property and/or surrounding neighbors.

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Article 12. D Downtown District

Sections:

1210	Specific Purposes
1220	Land Use Regulations by Subdistrict
1230	Development Regulations
1240	Review of Plans
1250	Amendments

1210 Specific Purposes

In addition to the general purposes listed in Article 1, the specific purposes of the D Downtown District are to:

- A. To promote the long-term viability of and rejuvenation of the Redevelopment Project Area and to protect and enhance primarily boating and water-dependent activities; and secondarily other public-oriented recreation uses in the Oceanside Small Craft Harbor
- B. Maintain and enhance an appropriate mix of uses; and
- C. Provide land-use controls and development criteria consistent with the General Plan, the Redevelopment Plan, and the Local Coastal Program.

Consistent with these purposes, it is the intent of the D District to establish special land-use subdistricts with individual objectives as described below.

Subdistrict 1: To provide a commercial/retail and office complex offering a wide variety of goods and services to both the community at large and to tourists and visitors. Residential uses are encouraged when and where appropriate.

Subdistrict 1(A): To provide a commercial/retail and office complex promoting the conservation, preservation, protection, and enhancement of the historic district and to stimulate the economic health and visual quality of the community to tourists and visitors. Residential uses are encouraged when and where appropriate.

Subdistrict 2: To provide sites for a financial center, supported by professional offices. **Residential Uses are permitted when and where appropriate as part of a Mixed-Use Development.**

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Subdistrict 3: To provide for a mix of office development, interspersed with residential development, in response to market demands.

Subdistrict 4(A): To provide a mix of transient and permanent residential uses along the South Strand between Tyson and Wisconsin streets.

Subdistrict 4(B): To provide transient and permanent residential uses (hotels and motels) in close proximity to the beach and recreational facilities.

Subdistrict 5: To provide a high-density residential neighborhood in an urban setting in close proximity to shopping, employment, transportation and recreational facilities.

Subdistrict 5(A): To provide a medium-density residential neighborhood at South Pacific Street with an urban setting in close proximity to shopping, employment, transportation and recreational facilities.

Subdistrict 6(A): To provide sites for highway business and tourist/visitor uses related to the harbor and the Interstate 5 freeway, primarily oriented to visitor-serving commercial establishments.

Subdistrict 6(B): To provide sites for highway business and tourist/visitor uses related to the harbor and the Interstate 5 freeway, primarily oriented to recreational commercial facilities. Residential uses are allowed as part of a mixed use project.

Subdistrict 6(C): To provide sites for uses supporting the Oceanside Small Craft Harbor, consistent with the Harbor Precise Plan.

Subdistrict 6(D): To provide a recreational facility for the purpose of boating-oriented and park-oriented passive and active recreation, and appropriate ancillary commercial and residential uses consistent with the Harbor Precise Plan.

Subdistrict 7(A): To provide sites for a high-density residential environment in an urban setting in close proximity to shopping, employment, transportation and recreational facilities.

Subdistrict 7(B): To provide for a mix of recreational and commercial uses conveniently located near recreational and residential areas. Residential uses are allowed as part of a mixed use project.

Subdistrict 8(A): To provide a mix of hospital and medical uses.

Subdistrict 8(B): To provide a mix of hospital and medical uses, office development, interspersed with residential development in response to market demand.

Subdistrict 9: To provide opportunities for commercial uses supporting other land uses within the downtown and serving the entire community. Residential uses are encouraged where appropriate.

Subdistrict 10: To provide a joint open space and recreational area within the floodplain of the San Luis Rey riverbed.

Subdistrict 11: To provide sites for commercial uses serving the adjacent residential neighborhood.

Subdistrict 12: To provide a special tourist/visitor oriented subdistrict that relates to the pier, ocean, beach, marina and freeway.

Subdistrict 13: To provide for a mix of visitor/commercial and office uses. Residential uses are allowed as part of a mixed use project.

Subdistrict 14: To provide for public transportation and railway uses.

Subdistrict 15: To provide for public facilities, public parks, open spaces, and other public oriented uses.

1220 Land Use Regulations by Subdistrict

~~In Schedule D-1, the letter "P" designates use classifications permitted in the D Downtown District. The letter "L" designates use classifications subject to certain limitations prescribed by the "Additional Use Regulations" that follow. Any use that falls within a use category that has an "L" designator is specifically prohibited unless stated otherwise by the prescribed limitation. The letter "U" designates use classifications permitted on approval of a Conditional Use Permit. The letter "C" designates use classifications permitted on approval by the Community Development Commission. The letters "P/U" designate use classifications permitted on the site of a permitted use, but requiring a use permit on the site of a conditional use. Letters in parentheses in the "Additional Regulations" column reference regulations following the schedule, or located elsewhere in this Title. Where letters in parentheses are opposite a use classification heading, referenced regulations shall apply to all use classifications under the heading.~~

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In Schedule D-1, the letter "P" designates use classifications permitted in the D Downtown District. The letter "U" designates use classifications permitted on approval of a Conditional Use Permit upon approval by the Community Development Commission. The letter "C" designates use classifications permitted upon approval of an administrative Use Permit upon recommendation of the

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Redevelopment Advisory Committee. The letter "V" designates uses that are considered to be visitor severing uses. The "*" designates use classifications that are not permitted.

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City of Oceanside LCPA 1-07-Revised Findings
 Downtown "D" District
 Page 115

Schedule D-1
 Proposed Land Use Regulations
 "D" Downtown District

P - Permitted L - Limited
 U - Use Permitted * Not Permitted
 C - Community Development Commission Approval

Ordinance #95-006
 Adopted 4/19/96

Subdistricts	1	1A	2	3	4A	4B	5	5A	6A	6B	6C	6D	7A	7B	8A	8B	9	10	11	12	13	14	15
Residential																							
Single - Family	*	*	*	U	P	*	P	P	*	*	*	*	P	L12	U	U	L21	*	*	*	*	*	*
Multi - Family	L12	L12	*	U	P	U	P	P	*	U	*	*	P	L12	*	U	L22	*	L12	*	L12	*	*
Day Care - Ltd	C	C	C	C	*	*	*	*	*	*	*	*	U	C	C	C	C	*	*	*	*	L33	*
Residential Care	*	*	*	U	*	*	*	*	*	*	*	*	U	U	U	U	U	*	*	*	*	*	*
Group Residential	*	*	*	*	*	*	*	*	*	*	*	*	L36	*	U	*	*	*	*	*	*	*	*
Public / Semi-Public																							
Club / Lodge	U	U	U	U	*	*	*	*	U	*	U	L19	*	U	*	U	U	*	*	*	*	*	*
Cultural Institution	C	C	C	C	*	*	*	*	C	*	*	L19	*	U	U	U	U	*	*	C	U	*	*
Day Care - General	L44	*	L44	L44	L44	L44	L44																
Emergency Health Care	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Government	P	P	P	P	P	*	*	*	P	*	U	L19	*	*	*	P	U	*	*	U	U	U	P
Hospital	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	P	*	*	*	*	*	*	*
Marina	*	*	*	*	*	*	*	*	*	*	*	*	P	*	*	*	*	*	*	*	*	*	*
Parks & Recreation Facility	U	U	*	U	U	*	U	U	P	P	P	P	L36	U	U	U	U	L36	*	L10	L10	C	P
Public Safety Facility	U	U	U	U	U	U	U	U	U	U	U	L20	U	U	U	U	U	L36	U	U	U	U	P

Subdistricts	1	1A	2	3	4A	4B	5	5A	6A	6B	6C	6D	7A	7B	8A	8B	9	10	11	12	13	14	15		
Religious Assembly	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*		
Residential Care - General	*	*	*	*	*	*	*	*	*	*	*	*	*	*	U	U	*	*	*	*	*	*	*		
Offices - Major	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18	L18		
Offices - Minor	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P		
Commercial																									
Artist Studio	C	C	*	*	*	*	*	*	*	*	*	L19	*	*	*	*	C	*	C	*	*	*	*		
Amulance Service	*	*	*	*	*	*	*	*	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*		
Bank / Savings & Loan	P	P	P	P	*	*	*	*	*	*	*	*	U	U	*	*	P	*	*	*	*	*	*		
Drive up	L30	L30	L30	L30	*	*	*	*	*	*	*	*	L30	U	*	*	L30	*	*	*	*	*	*		
Watering Service	C	C	C	C	*	*	*	*	*	*	*	*	U	U	*	*	C	*	*	*	*	*	*		
Commercial Recreation & Entertainment	L6 L8 L8 L8 L8 L8 L8	L8 L8 L8 L8 L8 L8 L8	L8 L8 L8 L8 L8 L8 L8	L42 L42 L42 L42 L42 L42 L42	*	*	*	*	*	L6 L8 L8 L8 L8 L8	L6 L8 L8 L8 L8 L8	U L43 L43 L43 L43 L43	L19 L19 L19 L19 L19 L19	*	L6 L8 L8 L8 L8 L8	*	*	L8 L42 L42 L42 L42 L42	L8 L15 L15 L15 L15 L15	L6 L6 L6 L6 L6 L6	L38 L38 L38 L38 L38 L38	*	*	*	*
Communication Facility	U	U	U	*	*	*	*	*	*	*	*	L20	*	*	*	*	U	*	*	U	*	*	*		
Alcohol/Drinking Establishment	L23 L31 L45	L23 L31 L45	L23 L31 L45	L23 L31 L45	L2 L31 L45	*	*	*	L2 L23 L31 L45	L2 L23 L31 L45	P L23 L31	L19	*	P L23 L31 L45	L5 L31	*	L23 L31 L45	L15 L23 L31 L36 L36	P L23 L31 L45	U	P L23 L31 L45	L28 L23 L31 L45			

Dependent
Land Use

Subdistricts	1	1A	2	3	4A	4B	5	5A	6A	6B	6C	6D	7A	7B	8A	8B	9	10	11	12	13	14	15
Automotive Rental	*	*	*	*	*	*	*	*	L1 L2	L1 L2	*	L19	*	L1 L2	*	*	L1	*	*	L1 L1	*	*	*
Automobile Washing	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Commercial Parking	U	U	U	U	L25	L25	L25	L25	U L25	U	U L25	L19	L25 L36	L25	L25	L25	U L25	L25 L36	L25	L25 L28	U	U	L25
Service Stations	*	*	*	*	*	*	*	*	U	*	*	L19	*	*	*	*	U	*	*	*	*	*	*
Vehicle Equipment Sales & Rental	*	*	*	*	*	*	*	*	*	*	*	L19	*	*	*	*	*	*	*	*	*	*	*
Food & Breakfast	*	*	*	*	U	U	U	L26	U	U	U	L19	*	*	*	*	*	*	*	U	U	U	*
Hotel / Motel / Timeshare	U	U	U	*	U	L16 L26	*	*	U	U	U	L19	*	U	*	*	U	*	*	U	U	U	*

NEW Schedule D-1
 Proposed Land Use Regulations
 "D" Downtown District

P - Permitted
 U - Use Permit
 C - Administrative Use Permit
 * - Not Permitted
 V - Visitor Serving Uses

Subdistrict	1	A	2	3	4A	4B	5	5A	6A	6B	C	7A	7B	8A	8B	9	10	11	12	13	14	15	V	
Residential																								
Day Care - Ltd	C	C	C	C																				
Group Residential	C	C	*	*																				
Network	C	C	*	*																				
Juvenile - Family	U	U	*	U	P	U	P	P	U	P	U	P	U	U	U	U	U	U	U	U	U	U	U	U
Residential Care	*	*	*	U	P	U	*	*	*	*	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Juvenile - Family	*	*	*	U	P	U	*	*	*	*	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Public/ Semi - Public	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Club / Lodge	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Cultural Institution	C	C	C	C																				
Day Care - General	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Emergency Health Care	*	*	*	*																				
Government Offices	P	P	P	P	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Hospital	*	*	*	*																				
Parks & Recreation Facility	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Public Safety Facility	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Religious Assembly	*	*	*	*																				
Residential Care - General	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Utilities - Major	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Utilities - Minor	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Commercial																								
Ambulance Service	*	*	*	*																				
Animal product sales	C	C	*	*																				
Artist Studio	C	C	*	*																				
Bank / Savings & Loan	P	P	P	P	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Drive-through drive up	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U	U
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*	*	*	*	*	U	*	*	*	*	*	*	*	*	*	*	*	*	*
Self-service ATM	C	C	C	C	*	*																		

~~D District Additional Use Regulations~~

- ~~L-1 On-site storage limited to five rental cars.~~
- ~~L-2 Permitted as an accessory use in a hotel with Community Development Commission approval. Eating and Drinking Establishments and Cocktail Lounges not as an accessory use to a hotel require a Conditional Use Permit.~~
- ~~L-3 Permitted in the air rights above the ground floor with approval by the Community Development Commission.~~
- ~~L-4 Only pharmacies occupying less than 50 percent of the gross floor area on the floor on which they are located are permitted as an accessory use in a medical office building or a hospital.~~
- ~~L-5 Only coffee shops occupying less than 50 percent of the gross floor area on the floor on which they are located are permitted as an accessory use within a medical office building or a hospital.~~
- ~~L-6 Only tennis/racquetball courts, health/fitness clubs as part of hotels, motels and timeshares or as part of a mixed-use development are allowed with approval by the Community Development Commission.~~
- ~~L-7 Only in licensed restaurants with approval by the Community Development Commission.~~
- ~~L-8 Only "limited" facilities as defined in Article 4: Use Classifications, and golf, roller skating rinks and ice skating rinks, are allowed with Commission approval. "Drive through" facilities (restaurants) requires approval of a Conditional Use Permit.~~
- ~~L-9 Bakeries permitted in subdistrict 9: Community Development Commission review required for all other uses for compatibility with the objective of the subdistrict, as prescribed in Section 1210. A Conditional Use Permit is required for establishments (including bakeries) occupying more than 1,500 square feet.~~
- ~~L-10 Private noncommercial facilities, including swim clubs and tennis clubs, allowed only with a Conditional Use Permit as an accessory use to hotels, motels and timeshares or as part of a mixed-use project.~~
- ~~L-11 Delicatessens and grocery stores permitted. Convenience food stores require a Conditional Use Permit.~~
- ~~L-12 Permitted as part of a mixed-use development.~~
- ~~L-13 "Limited Custom Retail" allowed with Commission approval. Limited Custom Retail shall be defined as follows:~~

D-District Additional Use Regulations

- ~~Establishments primarily engaged in on-site production of goods by hand manufacturing involving the use of hand tools and small-scale mechanical equipment not exceeding two (2) horsepower or a single kiln not exceeding eight (8) kilowatts, and the direct sale to consumers of those goods produced on-site. Products made incident to a permitted use may be sold at retail on the premises, and not more than three (3) people shall be employed in the production process. Typical uses include but are not limited to ceramic studios, candle-making shops, and custom jewelry production.~~
- L-14 ~~"Limited-Custom-Retail" allowed with Commission approval. Limited-Custom-Retail shall be defined as follows:~~
- ~~Establishments primarily engaged in on-site production of goods by hand manufacturing involving the use of hand tools and small-scale mechanical equipment not exceeding two (2) horsepower or a single kiln not exceeding eight (8) kilowatts, and the direct sale to consumers of those goods produced on-site. Products made incident to a permitted use may be sold at retail on the premises, and not more than three (3) people shall be employed in the production process. Typical uses include but are not limited to ceramic studios, candle-making shops, and custom jewelry production.~~
- L-15 ~~Permitted as part of a public park or recreational facility. Private Commercial and Recreational uses are limited to tennis, racquetball, and volleyball courts upon approval of a Conditional Use Permit.~~
- L-16 ~~Hotels and motels allowed with a Conditional Use Permit. Timeshares may be allowed with a Conditional Use Permit if a substantial number of units are permanently reserved for transient overnight accommodations during the summer season (June 1 through Labor Day weekend).~~
- L-17 ~~Food and beverage sales, artist studios and retail sales allowed with Community Development Commission approval in the area on the northwest quadrant of Sixth and Cleveland Streets, in an area extending 150 feet north along Cleveland Street and 100 feet west along Sixth Street.~~
- L-18 ~~A Conditional Use Permit is required for generating plants, electric substations, lone switching buildings, refuse collection, recycling or disposal facilities, water reservoirs, water or wastewater treatment plants, transportation or communication utilities, and similar facilities of public agencies or public utilities. Above-ground electrical transmission lines are not permitted unless determined to be consistent with a utility corridor plan approved by the Planning Commission. Flood-control or drainage facilities are permitted if they are consistent with approved master-drainage and/or flood-control plans.~~
- L-19 ~~Permitted if determined that the use is consistent with the Harbor-Precise-Plan and approved by the Harbor-District-Board-of-Directors.~~

~~D-District Additional Use Regulations~~

- ~~L-20 Only Harbor administration, maintenance and patrol facilities, Coast Guard and other related governmental offices and facilities are permitted upon approval of the Harbor District Board of Directors.~~
- ~~L-21 Within Subdistrict 9, lots fronting on Tremont Street and Freeman Street, and totaling a minimum contiguous area of 30,000 square feet, in single or multiple ownership, shall be permitted to develop single-family units upon approval of the Community Development Commission.~~
- ~~L-22 Allowed with a Conditional Use Permit, lots fronting on Hill Street residential uses allowed in the air rights above the ground floor as part of a mixed-use development with a use permit, no ground-floor residential use is permitted on Hill Street.~~
- ~~L-23 Sidewalk cafes (including tables and chairs) and outdoor food service accessory to an eating and drinking establishment is permitted subject to the City's Outdoor Eating Area Guidelines. However, no outdoor preparation of food or beverages will be permitted.~~
- ~~L-24 Permitted, however, it is limited to one primary dwelling unit and one accessory dwelling unit per site, subject to the requirements of Section 3006, Accessory Dwelling Units.~~
- ~~L-25 Publicly-owned parking lots are permitted upon approval of the Community Development Commission.~~
- ~~L-26 Allowed on The Strand, or adjacent to Subdistrict 11, upon approval of a Conditional Use Permit.~~
- ~~L-27 Medical and Dental Offices are permitted. All other uses in this category require Community Development Commission review for compatibility with the objectives of the subdistrict.~~
- ~~L-28 Eating and Drinking Establishments (with or without Alcoholic Beverage Service and with or without Take-out Service) on the pier or east of The Strand are allowed with Community Development Commission Approval.~~
- ~~L-29 Only Retail Sales and Food & Beverage Sales related to the operation of a pier-bait shop and kiosks allowed upon Community Development Commission approval. All other uses in these categories are prohibited.~~
- ~~L-30 Excludes check-cashing businesses and loan companies not associated with bank or savings and loan associations.~~

D-District Additional Use Regulations

- ~~L-31~~ The definition of an Eating and Drinking Establishment shall be as follows:
~~A place which is regularly and in a bona fide manner used and kept open for the serving of meals to guests for compensation and which has an adequate seating area for the consumption of meals and suitable kitchen facilities connected therewith, containing conveniences for cooking an assortment of foods which may be required for ordinary meals. As used in this definition, the word "meals" means the usual assortment of foods commonly ordered at various hours of the day; the services of only such foods as sandwiches or salads shall not be deemed in compliance with this requirement. As used in this definition, the words "suitable kitchen facilities" shall include cooking equipment (such as deep fryers, stoves or ovens) requiring hood fans, an operable dishwashing machine, and a central freezing and refrigeration area. The percentage of alcohol sales in monetary terms shall not exceed that of food sales and still comply with this definition.~~
- ~~Potential Eating and Drinking Establishments, which do not meet this definition shall only be allowed upon approval by the Community Development Commission.~~
- ~~L-32~~ Institutional Services or facilities for photography, fine arts, crafts, dance or music facilities, driving schools, business or trade schools, diet centers, reducing salons, and fitness studios (including health studios or spas) are allowed upon approval of the Community Development Commission. The "Personal Improvement Services" described above for Subdistricts 6A, 6B, 6C, 7B, and 12 are only allowed as an accessory use to a hotel, motel and timeshares or in a mixed use project.
- ~~L-33~~ Only Neighborhood and Specialty Markets (as defined below), which do not exceed 8,000 square feet of gross floor area, are allowed with Community Development Commission approval. Such markets, which exceed 8,000 square feet of gross floor area, shall require a Conditional Use Permit. Convenience markets are not allowed.
- ~~NEIGHBORHOOD MARKET:~~
- ~~Retail sales of food and beverages for off-site preparation and consumption. Principally engaging in the retail sale of staple foodstuffs, household supplies and a sizeable assortment of fresh produce, fresh-cut meats, fish and dairy products. A minimum of 60% of net floor area (excluding storage, aisle ways, check-out and customer service areas) shall be dedicated to the sale of staple foodstuffs and fresh items such as produce, meats, fish, and dairy products.~~
- ~~SPECIALTY MARKET:~~
- ~~Retail sales of food and beverages for off-site preparation and consumption. Principally engaging and specializing in the retail sales of one predominate product line such as produce, meat, fish, etc. Such markets may include the incidental sales of other merchandise directly related to the principal product line.~~

D-District Additional Use Regulations

- ~~L-34 Permitted within the Oceanside Transit Center only, with Community Development Commission approval.~~
- ~~L-35 New multi-family residential development shall be prohibited. Business and professional offices shall be limited to uses ancillary to Coastal-Dependent uses.~~
- ~~L-36 Permitted uses within the 100-year floodplain shall be limited to open space, passive recreational uses, public parks, limited horticulture, floriculture, uses permitted within sensitive habitat areas pursuant to the City's certified "Standards for the Identification and Protection of Sensitive Habitats" and private commercial recreational uses. Provided soil placement does not exceed a maximum level of 3 feet existing grade and that such placement does not adversely impact the floodplain hydrology of the San Luis Rey River as defined and evaluated by the Army Corps of Engineers, the following development may be permitted in the 100-year floodplain:~~
- ~~Bicycle and pedestrian paths, landscape, fencing, hardscape, waterscape, pools, tennis courts, putting greens, volleyball courts, basketball courts, driving range, shuffle board courts, horse shoes, lawn bowling, gazebos and arbors.~~
- ~~Within the first 50 feet of the required 100-foot wetland buffer zone only transitional upland vegetation shall be permitted. Within the second 50 feet of said buffer zone only landscape, hardscape, fencing and pathways for bicycles/pedestrians may be permitted.~~
- ~~All floodplain development shall be capable of withstanding periodic flooding without the construction of flood protective work. Existing environmentally sensitive habitat area will not be adversely affected. There will be no increase in the peak runoff rate from the developed site as compared to the discharge that would be expected once every ten (10) years during a six (6) hour period. There will be no significant adverse water quality impacts and no downstream bank erosion or sedimentation may result from site improvements. All development shall be reviewed for conformance with the policies and standards of the certified San Luis Rey River Specific Plan.~~
- ~~L-37 Food and Beverage sales with alcohol shall require a Conditional Use Permit.~~
- ~~L-38 Video arcades, game centers are allowed with a Conditional Use Permit, subject to Article 36 (regulated uses) of the "D" Downtown District Zoning Ordinance. Adult entertainment uses adult peep show devices, pool tables and billiard tables are not allowed.~~
- ~~L-39 Beer and wine services are permitted as an accessory service to an eating and drinking establishment.~~

D District Additional Use Regulations

- ~~L-40 Small scale live entertainment is permitted and is limited to 3 or fewer performers, with not dance floor and limited to typical lunch and dinner hours (11:00 a.m. to 11:00 p.m.)~~
- ~~L-41 Church offices, counseling centers, clinics and other similar outreach and service uses require Community Development Commission review and approval to determine compatibility with the objectives of the subdistrict.~~
- ~~L-42 Billiard parlors are allowed with a Conditional Use Permit, subject to Article 36 (regulated uses) of the "D" Downtown District Zoning Ordinance. All billiard tables must be of regulation size.~~
- ~~L-43 Alcoholic Beverage Service is permitted for theatres or live entertainment uses that contain over 350 seats with a Conditional Use Permit.~~
- ~~L-44 Childcare Facilities – A Childcare Facility Permit issued by the Planning Director is subject to the City's Childcare Guidelines. If a new development (construction) is proposed for a Childcare Facility a Development Plan and Coastal Development Permit review is required. A Development Plan and Coastal Development Permit review may be conducted independently or concurrent with the Planning Department Childcare Facility Permit review.~~
- ~~L-45 Wine Tasting Establishments permitted upon approval of a Conditional Use Permit by the Community Development Commission. Wine Tasting Establishments shall be defined as follows: Retail establishments for the sale of bottled wine and which offer wine tasting and the sale of wine for on-site consumption in connection with the marketing of wines offered for sale on the premises. With the exception of wine and featured micro brews, no beverages or items containing alcohol shall be offered for sale or consumed on the premises. Non-alcoholic retail items associated with wine drinking such as wine glasses, decanters, ice buckets, toppers, serving implements, snack foods and non-alcoholic beverages may also be offered for sale. Wine tasting shall only occur in an enclosed area not accessible for persons under the age of 21.~~

1230 Development Regulations

The following schedule prescribes development regulations and standards for the D District. The first column establishes the basic requirements for permitted and conditional uses in each subdistrict within the D District. Letters in parentheses in the "Additional Regulations" column refer to regulations following the schedule or located elsewhere in the zoning ordinance.

Where literal interpretation and enforcement of the development regulations and standards result in undue hardship, practical difficulties or consequences inconsistent with the purposes of these regulations and the Redevelopment Plan, the Community Development Commission may grant a variation. A variation shall not be granted which will change the land uses of the Redevelopment Plan for allow any increase in the maximum height set

forth in Additional Development Regulations sub-section (N). Any variation granted with respect to density or intensity of land use, or any variation granted which permits a greater than a 10% reduction in parking requirements above the base development regulations of Article 12 "D" Downtown District shall require a Local Coastal Program Amendment. The Community Development Commission may approve an application for a variation as it was applied for or in modified form as required by the Community Development Commission if, on the basis of the application, plans, materials, and testimony submitted, the Community Development Commission finds:

- 1) The application of certain regulations and/or standards would result in practical difficulties or unnecessary hardships inconsistent with the general purpose and intent of the Redevelopment Plan.
- 2) There are exceptional circumstances or conditions applicable to the property or to the intended development of the property that do not apply generally to other properties having the same requirements, limits, restrictions, and controls.
- 3) Permitting a variation will not be materially detrimental to the public welfare or injurious to property or improvements in the area.
- 4) Permitting a variation will not be contrary to the objectives of the Redevelopment Plan.

In permitting any such variation the Community Development Commission shall impose such conditions as are necessary to protect the public health, safety, or welfare, and to assure compliance with the purposes of the Redevelopment Plan.

1231 Transit Oriented Development

The downtown core commercial area is designated a Transit Overlay District (TOD). The location, design, configuration, and mix of uses in the TOD provides an alternative to traditional development by emphasizing a pedestrian-oriented environment and reinforcing the use of public transportation. The TOD's mixed-use clustering of land uses within a pedestrian-friendly area connected to transit, provides for growth with minimum environmental costs.

The core Downtown's underlying commercial use designation and proximity to the Oceanside Transit Center provide a unique opportunity to create a pedestrian-oriented environment. The establishment of such an area is to encourage a mix of commercial retail, professional office and residential uses which will encourage an efficient pattern of development that supports alternative modes of travel.

Mixed-use projects within the TOD require a Mixed-Use Development Plan. TODs represent a land use strategy, which seeks to strike a balance between resolving today's critical transportation issues and allowing freedom of movement and choice of travel mode. Although focused on reinforcing transit, the mixed-use and walkable neighborhoods developed should equally support carpools, bus, biking, walking, and more efficient auto use.

Quality of design will be evaluated upon the basis of the projects ability to incorporate specific amenities that encourage alternate travel modes (i.e. bike lockers/racks, employee locker rooms/showers, preferred car/van pool parking). Parking reductions will be considered for those mixed-use projects which can demonstrate a varied peak parking demand for each use by time of day and/or day of the week (see Section (W) 4 and 5.

**DOWNTOWN DISTRICT
PROPERTY DEVELOPMENT REGULATIONS**

	Basic Requirements	Additional Regulations
Residential Development		
Base Density:		(II)(JJ)(KK)
Site Area Per Unit (sq. ft.)	1,500	(C)(D)
Maximum Potential Density:		(C)(D)
Site Area Per Unit (sq. ft.)	1,000	
Minimum Lot Area (sq. ft.)	5,000	(A)(B)(E)
Minimum Lot Width (ft.)	50	(E)
Minimum Setbacks:		(E)(G)(L)
Front (ft.)	10	(H)(K)
Side (ft.)	3' for lots 75' wide or less except where courts are required; 10' from one side-lot line for lots greater than 75' wide or as required for courts.	
Corner Side (ft.)	10	(H)(J)(K)
Rear (ft.)	5; and as required for courts	(I)(K)
Maximum Height of Structures (ft.)	35	(M)(N)(O)
Signs	See Article 33	(GG)
Public Access to the Beach		(HH)
Minimum Site		

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Landscaping	25%	(P)(Q)
	(R)(S)	
Vehicular Access:		
Maximum Driveway Width (ft.)	24	(X)(Y)
Private Outdoor Living Space	Minimum 48 sq. ft. required with minimum dimension 6 feet	(FF)
Courts Required		(EE)
Required Facade Modulation	25% of front and side street elevation horizontal and/or vertical must be set back at least 5 feet from setback line	(T)(U)
Parking	See Article 31	(W)
Fences and Walls (ft.)	Maximum height of 6'	(Z)(AA)(BB)
Refuse Storage Areas	See Section 3022	
Underground Utilities	See Section 3023	
Nonconforming Structures	See Article 35	

D District Property Development Regulations (continued)

	Basic Requirements	Additional Regulations
Nonresidential Development		(H)(KK)
Minimum Lot Area (sq. ft.)	5,000	(A)(B)
Minimum Lot Width (ft.)	50	
Minimum Setbacks:		
Front (ft.)	10	(H)
Side (ft.)	0	(H)(I)
Corner Side (ft.)	10	(H)(J)
Rear (ft.)	0	(H)(I)
Maximum Height (ft.) of Structures	45	(M)(N)(O)
Maximum Floor Area Ratio	2	(F)
Minimum Site Landscaping	15%	(P)(Q)(S)
Fences and Walls (ft.)	8'	(Z)(AA)(BB)
Public Access to the Beach		(HH)
Off-Street Parking and Loading		(V)
Signs	See Article 33	(GG)
Outdoor Facilities	See Section 3020	(CC)
Employee Eating Areas		(DD)
Screening of Mechanical Equipment	See Section 3021	
Refuse Storage Areas	See Section 3022	
Underground Utilities	See Section 3023	
Performance Standards	See Section 3024	
Nonconforming Structures	See Article 35	

**D DOWNTOWN DISTRICT:
Additional Development Regulations**

- (A) The provisions of Section 3013: Development on Substandard Lots shall apply except that in the D District mergers of lots under common ownership shall not be required for purposes of compliance with this ordinance.
- (B) See Section 3014: Uncertainty of Boundaries.
- (C) The maximum density for Subdistrict 5A is one dwelling unit per 1,500 square feet of site area.
- (D)
 - 1. The Land Use Plan would allow for a maximum of 29 to 43 units per acre. The base of 29 units per acre shall be considered the appropriate density for development within each residential land use designation. The base density may be increased from 29 units per acre to 33 units per acre if an underground parking structure that is 50% or more below grade is used in a residential project to provide all of the required parking. All residential projects that do not have an underground parking structure shall have a maximum density of 29 units per acre.
 - 2. Residential projects located within Subdistrict 8B may request a waiver, through the conditional use permit process, to the requirement that all required parking be contained in an underground parking structure. Such projects within Subdistrict 8B may achieve density up to 43 dwelling units per acre provided the project possesses the excellence of design criteria and characteristics described in Section B below. Residential projects with density below the base densities shall be considered to be consistent with the land use designation.
 - 3. Residential projects using an underground parking structure which is 50% or more below finish grade to provide 75% of the required parking, and which possess an excellence of design features, shall be granted the ability to achieve densities above the base density of 29 or 33 units per acre if underground garage is provided, up to the maximum density of 43 units per acre upon approval of a Conditional Use Permit.
 - (a) Residential projects on lots 5,000 square feet or smaller may achieve densities above 29 units per acre without providing an underground parking structure, upon approval of a Conditional Use Permit.
 - (b) Projects located on The Strand may achieve densities above 29 units per acre without providing an underground parking structure upon approval of a Conditional Use Permit.

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CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

**Analysis of Market Demand in
Oceanside, California**

Prepared for:
City of Oceanside
300 North Coast Highway
Oceanside, California 92054

Prepared by:
PKF Consulting
Los Angeles, California

April 2007

File No. 51193

EXHIBIT #3
PKF Study
LCPA #1-07 Downtown "D" District  California Coastal Commission



Consulting

865 South Figueroa Street
Suite 104
Los Angeles CA 90017

Telephone (213) 680-0900
Telefax (213) 623-8240

April 18, 2007

Ms. Jane McVey
City of Oceanside
300 North Coast Highway
Oceanside, California 92054

Dear Ms. McVey:

Pursuant to your request, we have completed our analysis of current and projected market demand for overnight accommodations in the City of Oceanside in California. The purpose of this study is to:

- Analyze supply and demand by type and cost of accommodations;
- Evaluate whether the region has adequate supply of overnight accommodation to meet its current and projected demand;
- Perform an analysis of supply and demand for low cost visitor accommodations.

Our market research for this project was undertaken in March and April of 2007.

This report is subject to the General Statement of Assumptions and Limiting Conditions presented in the Addenda.

We would be pleased to hear from you if we can be of further assistance in the interpretation of our findings. We express our appreciation to both of you for the cooperation extended to us during the course of this engagement and look forward to working with you further.

We thank you for the opportunity to complete this assignment on your behalf.

Sincerely,
PKF Consulting

Bruce Baltin
Senior Vice President

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FINAL 4-18-07

EXECUTIVE SUMMARY

PKF Consulting has been retained by the City of Oceanside to conduct a study of supply and market demand in order for the California Coastal Commission to perform the necessary analysis to evaluate an LCP amendment that would allow for the development of fractional ownerships, condo-hotels and other limited use overnight visitor accommodations.

To develop conclusions and recommendations concerning the supply and market demand of visitor-serving accommodations in Oceanside, PKF has conducted an analysis of the supply of overnight visitor-serving accommodations in and out of the coastal zone, historical Transient Occupancy Tax Revenues, daily occupancy, and average daily room rates in Oceanside. Our analysis of overnight visitor-serving accommodations in the City of Oceanside includes hotels, motels, RV parks, camp grounds, vacation rentals, condo hotels, fractionals and time shares. This report identifies all legitimate visible and quantifiable visitor-serving accommodations. Several of these overnight accommodations are difficult to identify and track, such as vacation ownership. This is largely due to varying availability, private rental, and unlicensed operations.

Upon careful analysis, PKF has concluded that there is a sufficient supply of affordable coastal hotels in the City of Oceanside. With the exception of one hotel, all of the existing accommodations in Oceanside are affordable. Affordable Coastal Accommodations have low demand as reflected in their occupancy rates. In addition, there is a lack of Coastal Accommodations over \$100 in Oceanside; and there is sufficient demand for the addition of visitor-serving Coastal Accommodations over \$100. The City needs the development of upscale overnight accommodations in order to establish itself as a destination. Therefore, there is no mitigation suggested for affordable coastal hotels nor limited use/fractional ownership or condo-hotels.

CITY OF OCEANSIDE

The City of Oceanside is a coastal community in northern San Diego County with a 2006 estimated population of 175,000 people. It is situated 35 miles north of downtown San Diego, and 83 miles south of Los Angeles. Oceanside has historically been known as a military town; however, the City is undergoing a dramatic transformation with redevelopment projects planned or currently under construction including: research and development buildings, office buildings, industrial buildings, retail projects, hotels, timeshare projects, improvements to transportation, residential buildings, parking structures and public parks. The City of Oceanside rests at the brink of a period of strong economic development.

Total Hotel Supply in Oceanside, California

An inventory of all the visitor-serving accommodations available throughout Oceanside was completed. Table 1 on the following page presents historical, current, and projected

total hotel supply in the City of Oceanside. Currently, there are a total of 1,295 hotel rooms in the City of Oceanside including units at motels and hotels.

Table 2 shows an inventory of all the current and projected coastal hotels/motels in Oceanside.

Table 1
Total Hotel Supply in Oceanside
Historical, Current, and Projected Competitive Supply

	Coastal/Non-Coastal	Historical		Current		Projected		Competitive Supply		2010	2011
		2002	2003	2004	2005	2006	2007	2008	2009		
		28	28	28	28	28	28	28	28	28	28
Beachwood Motel	Coastal	27	27	27	27	27	27	27	27	27	27
Coast Inn	Coastal	25	25	25	25	25	25	25	25	25	25
Dolphin Hotel	Coastal	13	13	13	13	13	13	13	13	13	13
Hilltop Motel*	Coastal	0	53	106	106	106	106	106	106	106	106
Motel 6 Coastal Highway	Coastal	11	11	11	11	11	11	11	11	11	11
Ocean Breeze Inn	Coastal	21	21	21	21	21	21	21	21	21	21
Ocean Inn & Suites	Coastal	59	59	59	59	59	59	59	59	59	59
Pacific Inn	Coastal	80	80	80	80	80	80	80	80	80	80
Days Inn at the Coast	Coastal	80	80	80	80	80	80	80	80	80	80
Guest House Inn & Suites	Coastal	28	28	28	28	28	28	28	28	28	28
Oceanside Travelodge	Coastal	0	0	29	38	38	38	38	38	38	38
La Quinta	Coastal	52	52	52	52	52	52	52	52	52	52
Oceanside Marina Inn	Coastal	0	0	0	0	0	0	0	0	0	0
Holiday Inn	Coastal	0	0	0	0	0	0	0	0	0	0
S.D. Malkin Hotel	Coastal	0	0	0	0	0	0	0	0	0	0
Wyndham Resort	Coastal	0	0	0	0	0	0	0	0	0	0
Coastal Lagoon	Coastal	0	0	0	0	0	0	0	0	0	0
Subtotal Coastal Supply		424	477	559	568	558	555	600	650	1,030	1,113
Hotel 9	Non-Coastal	101	101	101	101	101	101	101	101	101	101
Extended Stay America	Non-Coastal	66	66	66	66	66	66	66	66	66	66
Renaissance Limited	Non-Coastal	72	72	72	72	72	72	72	72	72	72
Holiday Inn Express	Non-Coastal	72	72	72	72	72	72	72	72	72	72
Confort Suites Marina	Non-Coastal	72	72	72	72	72	72	72	72	72	72
Quality Inn & Suites	Non-Coastal	107	107	107	107	107	107	107	107	107	107
Best Western Mary's Valley Inn	Non-Coastal	136	136	136	136	136	136	136	136	136	136
Motel 6 Plaza Drive	Non-Coastal	80	80	80	80	80	80	80	80	80	80
Best Western Oceanside	Non-Coastal	0	0	0	0	0	0	0	0	0	0
Residence Inn	Non-Coastal	740	740	740	740	740	740	740	740	740	740
Subtotal Non-Coastal Supply		740	740	740	740	740	740	865	865	865	865
Total Rooms Available		1,164	1,217	1,299	1,308	1,298	1,295	1,465	1,515	1,895	1,978
% Change		N/A	-4.6%	6.7%	0.7%	-0.7%	-0.3%	13.1%	3.4%	25.1%	4.9%

*Note: The Hilltop Motel closed in quarter two of 2006 for a major renovation. Reopening date is uncertain at this time.

Source: PRF Consulting

Coastal Plan Amendment Analysis

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Table 2

Total Coastal Supply in Oceanside
 Historical, Current, and Projected Competitive Supply

	Coastal/Non-Coastal	Affordable/Coastal										
		2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Beechwood Motel	Coastal	28	28	28	28	28	28	28	28	28	28	28
Coast Inn	Coastal	27	27	27	27	27	27	27	27	27	27	27
Dolphin Hotel	Coastal	25	25	25	25	25	25	25	25	25	25	25
Hilltop Motel*	Coastal	13	13	13	13	13	0	13	13	13	13	13
Motel 6 Coastal Highway	Coastal	0	53	106	106	106	106	106	106	106	106	106
Ocean Breeze Inn	Coastal	11	11	11	11	11	11	11	11	11	11	11
Ocean Inn & Suites	Coastal	21	21	21	21	21	21	21	21	21	21	21
Pacific Inn	Coastal	59	59	59	59	59	59	59	59	59	59	59
Days Inn at the Coast	Coastal	80	80	80	80	80	80	80	80	80	80	80
Guest House Inn & Suites	Coastal	80	80	80	80	80	80	80	80	80	80	80
Oceanside Travelodge	Coastal	28	28	28	28	28	28	28	28	28	28	28
La Quinta	Coastal	0	0	29	38	38	38	38	38	38	38	38
Oceanside Marina Inn	Coastal	52	52	52	52	52	52	52	52	52	52	52
Holiday Inn	Coastal	0	0	0	0	0	0	0	0	0	0	0
S.D. Mallin Hotel	Coastal	0	0	0	0	0	0	0	0	0	0	0
Wyndham Resort	Coastal	0	0	0	0	0	0	0	0	0	0	0
Coastal Lagoon	Coastal	0	0	0	0	0	0	0	0	32	32	32
Total Rooms Available		424	477	559	568	558	555	600	650	1,030	1,113	
% Change		N/A	12.5%	17.1%	1.7%	-1.7%	-0.6%	8.1%	8.3%	38.5%	8.1%	

*Note: The Hilltop Motel closed in quarter two of 2006 for a major renovation. Reopening date is uncertain at this time.

Source: PKF Consulting

Coastal Plan Amendment Analysis

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In order to develop conclusions about the overnight accommodations in the City of Oceanside, the current and anticipated visitor-serving accommodations supply is broken into three groups. The first group is called: *Affordable Coastal Accommodations*, which are defined by the California Coastal Commission to be coastal accommodations that have an average daily rate below \$100. The second group is called, *Coastal Accommodations over \$100 per night*. The third group is called, *Non-Coastal Hotel Accommodations*. This group includes accommodations located in the City of Oceanside outside of the coastal zone.

AFFORDABLE COASTAL ACCOMMODATIONS

Historical, Current, and Anticipated Changes in the Competitive Supply

Table 3 presents all of the hotels/motels with an average daily rate below \$100 within the coastal zone in Oceanside, California.

	Affordable Coastal								
	Historical, Current, and Anticipated					Competitive Supply			
	2002	2003	2004	2005	2006	2007	2008	2009	2010
1. Beachwood Motel	28	28	28	28	28	28	28	28	28
2. Coast Inn	27	27	27	27	27	27	27	27	27
3. Dolphin Hotel	25	25	25	25	25	25	25	25	25
4. Hilltop Motel*	13	13	13	13	3	0	13	13	13
5. Motel 6 Coastal Highway	0	53	106	106	106	106	106	106	106
6. Ocean Breeze Inn	11	11	11	11	11	11	11	11	11
7. Ocean Inn & Suites	21	21	21	21	21	21	21	21	21
8. Pacific Inn	59	59	59	59	59	59	59	59	59
9. Days Inn at the Coast	80	80	80	80	80	80	80	80	80
10. Guest House Inn & Suites	80	80	80	80	80	80	80	80	80
11. Oceanside Travelodge	28	28	28	28	28	28	28	28	28
12. La Quinta	0	0	29	38	38	38	38	38	38
Total Rooms Available	372	425	507	516	506	503	516	516	516
% Change	N/A	14.2%	19.2%	1.9%	-1.9%	-0.6%	2.6%	0.0%	0.0%

*Note: The Hilltop Motel closed in quarter two of 2006 for a major renovation. Reopening date is uncertain at this time.

Source: PKF Consulting

Several changes have occurred to the supply of Affordable Coastal Accommodations, which are summarized below:

- The 106-room Motel 6 on Coast Highway opened in June of 2003 causing supply to increase by 14.2 percent.
- With the opening of a 38 room La Quinta Hotel in April 2004 and a full year of room nights supplied by the Motel 6, supply increased by 19.2 percent.
- Hilltop Motel closed in quarter two of 2006 for a remodel. Therefore, the total room count for this motel is approximately one quarter of the total room count since it was only open for a quarter of the year. As it is uncertain when the hotel

will re-open, we have estimated no room supply from this motel in 2007. Total supply of coastal affordable rooms has decreased 1.9 percent and 0.6 percent year over year in 2006 and 2007.

The hotel/motels listed in Table 3 include a combination of chain-affiliated and independent hotel/motels. The current number of Affordable Coastal Accommodations is 503.

The locations of the Affordable Coastal Accommodations are shown on the map on Page 7.

In addition to the above mentioned hotels and motels, there are three alternative affordable coastal overnight accommodations in the City of Oceanside: Paradise by the Sea, Oceanside RV Park, and Harbor Beach Campgrounds. Paradise by the Sea has 102 spaces and Oceanside RV Park has 139 spaces for a total of 241 RV spaces. At Paradise by the Sea daily, weekly, and monthly rates are available. Winter rates (September 17, 2006 to June 14, 2007) range from \$20 to \$45 per day. Summer rates (June 15, 2007 to September 3, 2007) range from \$43 to \$75 per day. Please note, no transient occupancy tax is collected from the monthly visitors. Daily and weekly rates are offered at Oceanside RV Park. Rates range from \$40 to \$45 per day.

The campgrounds operated by the City of Oceanside adjacent to Harbor Beach, offer 66 vehicle camping spaces. There are an additional 77 camping spaces; however, overnight camping is prohibited from May 15 through September 15. The length of stay is limited to five nights within a 30-day period. Overnight camping is \$15 per night.

Demand for Affordable Coastal Accommodations

Table 4 below illustrates demand for Affordable Coastal Accommodations as reflected in occupancy rates. Hotels and motels have two separate types of rates: the stated rate and the discounted rate which is the rate with a discount applied for memberships such as AAA or AARP.

Definitions to the terms in the Table 4 are as follows:

- Annual Supply of rooms is a product of the total number of rooms and 365 days in a year.
- Occupied Rooms is the total number of rooms sold in a year.
- Market Occupancy equals the total number of occupied rooms divided by total supply.
- Average Daily Room Rate is the total room revenue divided by the Occupied rooms rented.
- Revenue Per Available Room (REVPAR) is the Market Occupancy times the average daily rate.
- CAAG Compound Annual Average Growth is the year-over year growth rate over a specified period of time. For the purpose of this study CAAG reflects growth from 2002 to 2006 for annual supply, occupied rooms, average daily rate, and RevPAR.

Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2002	135,780	N/A	57,827	N/A	42.6%	\$52.19	N/A	\$22.23	N/A
2003	155,125	14.2%	72,153	24.8%	46.5	56.90	9.0%	26.46	19.1%
2004	184,873	19.2	90,098	24.9	48.7	59.13	3.9	28.82	8.9
2005	188,340	1.9	93,936	4.3	49.9	61.48	4.0	30.67	6.4
2006	184,781	-1.9	89,694	-4.5	48.5	66.30	7.8	32.18	4.9
CAAG	8.0%		11.6%			6.2%		9.7%	

Source: PKF Consulting

The supply of Affordable Coastal Accommodations increased at a compound average annual growth (CAAG) rate of 8.0 percent from calendar years 2002 to 2006 and demand for Affordable Coastal Accommodations over the same time period increased by 11.6 percent annually.

However, the number of occupied rooms decreased by 4.5 percent in 2006, resulting in market occupancy of 48.5 percent, which is down from 49.9 percent market occupancy in 2005. The average daily rate has grown a 6.2 percent during the period and the average daily rate reached \$66.30 in 2006, resulting in a RevPAR of \$32.18.

Seasonality Patterns of Affordable Coastal Hotels

Table 5 and Table 6 below show hotel occupancy and average daily room rates by quarter for Affordable Coastal Accommodations (excluding the two RV Parks and the campgrounds). When examining the number of rooms that are occupied and the average daily room rate by quarter, a strong seasonality pattern can be seen for the group.

Table 5

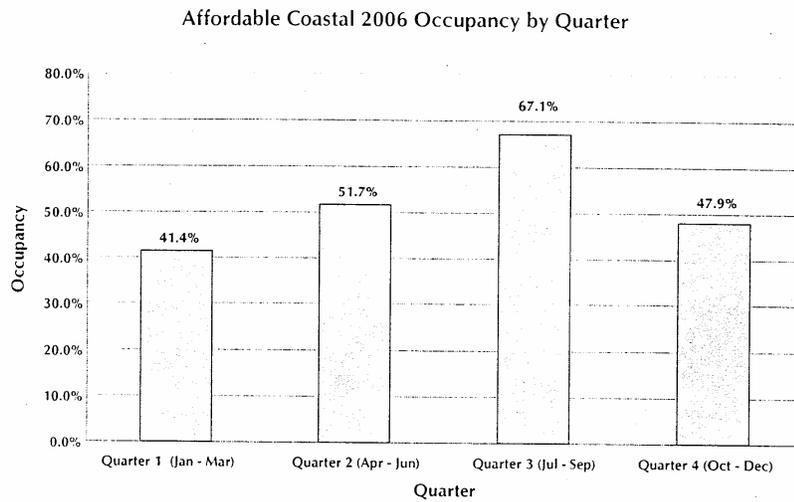
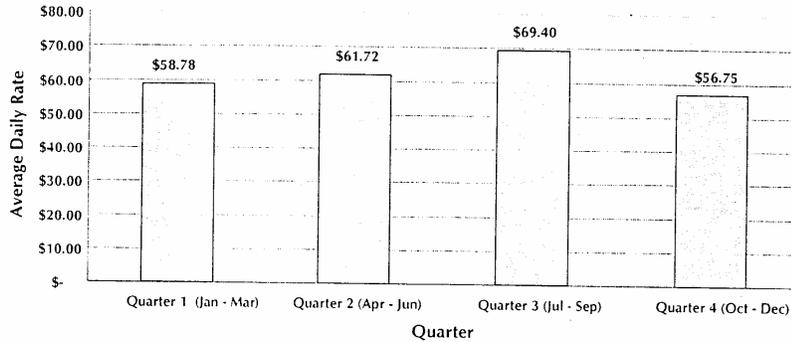


Table 5 shows the occupancy for Affordable Coastal Accommodations ranging from 41.4 percent in Quarter One (January through March) to 67.1 percent in Quarter Three (July through September), a variance of 25.7 percentage points. Although this market is very seasonal, occupancy does not even achieve 70 percent during its peak season, which is typically achieved in other seasonal markets.

Table 6

Affordable Coastal 2006 Average Daily Rate by Quarter



As shown in Table 6, the average daily rate for Affordable Coastal Accommodations ranges from \$56.75 in Quarter Four (October through December) to \$69.40 in Quarter Three, which is a variance of \$12.65. Demand as determined by occupancy and average daily rate, is the highest in Quarter Three (July through September). The colder seasons, Quarter One and Four display lower demand.

Summary of Projected Demand for Affordable Coastal Accommodations

Demand for hotel rooms is categorized in three ways:

- Demonstrated Demand: the demand already captured at competitive hotels.
- Induced Demand: the demand that does not presently seek accommodations in the competitive market, but could be persuaded to do so through facilities, services, amenities, room rates and marketing efforts.
- Unsatisfied Demand: the demand that seeks accommodations in the market but is not satisfied due to one of a number of factors: sell-outs; lack of a particular type of accommodation; lack of meeting space; or high room rates.

Since calendar year 2002, Affordable Coastal Accommodations have consistently achieved annual occupancy levels between 42 and 49 percent. The occupancy level for calendar year 2007 is estimated to be 49 percent. This means the City of Oceanside currently has a sufficient supply of Affordable Coastal Accommodations to meet any future demand. Absent any plans for additions to the Affordable Coastal Accommodation supply, it is projected that future hotel occupancy rates will stabilize at 50 percent.

The projected growth in supply, occupied room nights, average daily rate, and RevPAR through 2011 in the coastal area is presented in Table 7.

Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2007	183,595	-0.6%	89,700	0.0%	49%	\$69.00	4.1%	\$33.71	4.8%
2008	188,340	2.6	91,500	2.0	49	71.00	2.9	34.49	2.3
2009	188,340	0.0	94,200	3.0	50	73.00	2.8	36.51	5.9
2010	188,340	0.0	94,200	0.0	50	75.00	2.7	37.51	2.7
2011	188,340	0.0	94,200	0.0	50	78.00	4.0	39.01	4.0
CAAG	0.6%		1.2%			3.1%		3.7%	

Source: PKF Consulting

As shown in Table 7, the average daily room rate is estimated to increase 4.1 percent in 2007, equaling an average daily rate of \$69.00 and RevPAR of \$33.71. The average daily rate is estimated to grow at or near the rate of inflation at 3.0 percent throughout 2011.

COASTAL ACCOMMODATIONS OVER \$100

Historical, Current, and Anticipated Changes in the Competitive Supply

Table 8 presents all of the existing and proposed visitor-serving accommodations with an average daily rate above \$100 within the coastal zone in Oceanside, California. Of the proposed hotels, several have multiple components to them. Only the hotel portion is referenced in the following table. The other components are accounted for in the appropriate table later in this section.

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
1. Oceanside Marina Inn	52	52	52	52	52	52	52	52	52	52
2. Holiday Inn	0	0	0	0	0	0	0	50	101	101
3. S.D. Malkin Hotel	0	0	0	0	0	0	0	0	253	336
4. Wyndham Resort	0	0	0	0	0	0	32	32	32	32
5. Coastal Lagoon*	0	0	0	0	0	0	0	0	76	76
Total Room Available	52	52	52	52	52	52	84	134	514	597
% Change	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	61.5%	59.5%	383.6%	16.0%

*Based on annual condo-hotel count from Table 9.
Source: PKF Consulting

Currently there is only one hotel property in the City of Oceanside with an average daily rate above \$100, the Oceanside Marina Inn. Anticipated changes in supply are summarized below.

- The Wyndham Resort is proposed to open by 2008. The project consists of two towers totaling 168 units, of which 136 will be timeshare units and 32 will be hotel rooms. The development will also offer retail shops, a restaurant and an

outdoor café. The resort is located on Pacific Street between Civic Center Drive and Pier View Way.

- A 336-room S.D. Malkin Resort Hotel is currently completing an EIR and processing entitlements through the City of Oceanside. The site for this project is located between Pier View Way and Seagaze Drive east of Pacific Street. The project proposes 336 hotel rooms, 47 fractional ownership units, 22,000 square feet of commercial space, and 19,000 square feet of meeting space. An opening date of March 21, 2010 is anticipated for this property.
- A 101-room Holiday Inn at 1401 Carmelo Drive, is anticipated to open in the summer of 2009. The project is fully approved by the California Coastal Commission. The City of Oceanside is awaiting construction drawings from the developers.
- The Coastal Lagoon Hotel, a proposed condo-hotel project, has been approved by the City of Oceanside and is in the Coastal Commission review process. This project is located on the west side of Coast Highway at Eaton Street. This property will offer 82 units of which 85% or 70 units are proposed to be condo-hotel units, while 12 units will be traditional hotel units.
- CityMark is a proposed five-contiguous block mixed use project consisting of a 124-room hotel, 231 residential condominium units, approximately 48,000 square feet of commercial space, and 70,000 square feet of open space and parking. The project is located within the City of Oceanside's Nine Block Master Plan between Seagaze Drive and Civic Center, Cleveland Avenue and Meyers Street. The development is currently completing an EIR and processing entitlements through the City of Oceanside. At this time the CityMark development application includes a 124-room hotel; however, if the requirement for a minimum 240 hotel rooms within the Nine Block Master Plan is met by other projects, the developer proposes to build the square footage as office. Therefore, these hotel units were not included in any of the hotel supply tables.

In order to determine the total supply of hotel units from the condo-hotel component, it is necessary to take into consideration the structure of the rental program and projected owner use. Due to owner usage restrictions by the City of Oceanside, the owners are not permitted to stay longer than 29 consecutive days or more than 90 days total in a calendar year. When not utilized by the owner, the units will be placed in a hotel rental pool. Based on substantial research performed by PKF Consulting, we have used an estimate of 30 days per year of owner usage, which is at the high end of the range of actual usage.

Total Rooms	82
Hotel Rooms	12
Condo/Hotel	70
Owner Usage (Days) for Owners in Program	30*
Annual Rooms (70 rooms x 365 days)	25,550
Minus Owner Usage (70 rooms x 30 days)	2,100
Annual Hotel Room Count from Condo-Hotel	23,450
Effective Hotel Room Count from Condo-Hotel (23,450/365)	64
Total Hotel Supply (64 from Condo-hotel + 12 hotel rooms)	76
*The 30 days owner usage is based on condo-hotel industry averages and studies previously undertaken by PKF Consulting.	
PKF Consulting	

The total number of units available on an annual basis from the hotel rental pool is estimated to be 64 units. In addition, there will be twelve hotel rooms. Therefore, the Coastal Lagoon Hotel will have an effective room count of 76 hotel units on an annual basis. The projected opening date of this property is January 1, 2010.

Fractional ownership and condo-hotels need to be distinguished from the older 1-week per year timeshare market where units were not placed into the hotel rental pool.

Other Coastal Accommodations over \$100 include timeshares, fractional ownership, and condo-hotel properties as noted in Table 10 below.

	Historical and Current Competitive Supply									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
6. Aquamarine Villas -Timeshare	26	26	26	26	26	26	26	26	26	26
7. Southern California Beach Club-Timeshare	52	52	52	52	52	52	52	52	52	52
8. The Blue Whale-Timeshare	12	12	12	12	12	12	12	12	12	12
9. World Mark Trendwest-Timeshare	140	140	140	140	140	140	140	140	140	140
4. Wyndham Resorts-Timeshare	0	0	0	0	0	0	136	136	136	136
3. S.D. Malkin Hotel- Fractional Ownerships	0	0	0	0	0	0	0	0	36	47
5. Coastal Lagoon*-Condo-Hotel	0	0	0	0	0	0	0	0	6	6
Total Rooms Available	230	230	230	230	230	230	366	366	408	419
% Change	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	59.1%	0.0%	11.5%	2.9%

*Based on annual condo-hotel count from Table 9.
Source: PKF Consulting

The release of the **timeshare units** into a rental program is at the discretion of the owners; however, the four time share properties must have 25 percent of total rooms available as hotel rooms between Memorial Day and Labor Day.

The map on page 16 shows where the existing and proposed Coastal Accommodations over \$100 are located in Oceanside. The numbers next to the property names in Table 8 and 10, correspond to the property number on the map.

Vacation Rentals

Vacation rentals are an alternative type of overnight accommodation available in the City of Oceanside. Vacation rental is a term in the travel industry, which refers to a furnished apartment or house that can be rented out on a temporary basis to tourists as an alternative to a standard hotel room. There are several individual owners of houses and condominiums throughout the coastal area of the City of Oceanside that offer their residences as a vacation rental through a certified real estate agent, property management company, or privately on the Internet. The length of stay at these types of accommodations ranges from one night to one month or more. Transient occupancy tax is not collected from properties rented for over one month. The following section provides an overview of the vacation rentals in Oceanside.

Marina Del Mar, a vacation rental property located at 1202 North Pacific Street, has 78 potential for-rent condominium units with ocean or marina views. This vacation rental property offers one, two and three bedroom units, and one penthouse unit, all with fully equipped kitchens and balconies. The resort has a pool and hot tub. The condominium units are available for rent at the discretion of the owners. Table 11 presents the rates at Marina Del Mar.

Table 11

Marina Del Mar Rates	One Bedroom	Two Bedroom	Three Bedroom	Penthouse
Low Season-October to May				
Ocean	\$137	\$171	\$187	N/A
Marina	123	151	179	197
Swing Season- June and Labor Day through end of September				
Ocean	226	305	363	N/A
Marina	194	262	311	374
High Season- July through Labor Day weekend				
Ocean	295	406	489	N/A
Marina	248	342	422	510

According to Marina Del Mar management, the occupancy rates are as follows: during the high season the property is sold out; during the swing season (June and Labor Day through end of September) occupancy runs in the high 80 percent to mid 90 percent; and during the low season (October to May) occupancy rate ranges from 49 percent to 69 percent.

La Playa Beachfront Properties, located at 218-½ South The Strand, has two oceanfront properties for rent. Both units offer two bedrooms, a living room and fully equipped kitchen. Rates during the summer are \$1,300 per week. The winter rate is \$1,500 for a month. According to management, the annual average occupancy rate is 80 percent.

Robert's Cottages, located at 704 North The Strand, are 26 individually owned vacation rental ocean view cottages. Some of the cottages are periodically available for rent at the

discretion of the owners. Every cottage has one bedroom and a fully equipped kitchen. Table 12 shows the rates to rent the cottages.

Table 12 Roberts Cottages Rates	Weekly	Monthly
Winter Rates –Labor Day through Mid-May	\$500	\$1,250
Swing Season Rates –Memorial Day through June	850	N/A
Summer Season – July through August	\$1,000	N/A

According to management, during the Summer and Swing Season, total occupancy rates range from 90 to 100 percent; while during the Winter Season, occupancy rates range from 70 to 85 percent.

North Coast Village, located at 999 North Pacific Street, has 550 individually owned condominium units. The rental of units at North Coast Village as vacation rentals is handled by 16 different real estate groups, property management groups, and individuals. We estimate that there are more individuals that are not licensed, therefore unrecognized by the City, but still renting out their units as vacation rentals. An estimated 50 percent of the units are rented out during the summer months. During the winter, approximately 20 to 30 percent of the units are rented out. The required length of stay varies among the individual owners. North Coast Village offers studios, one bedroom, two bedroom, and three bedroom accommodations. According to Azure Pacific, one of the largest property managers of North Coast Village, rates range from approximately \$650 to \$1400 on a weekly basis to \$1400 to \$3,600 on a monthly basis from September to May; and from \$900 to \$2,700 on a weekly basis from June through August.

St. Malo, an upscale gated community in the south of Oceanside has, on record, one property that is available as a vacation rental. The house offers five bedrooms and three bathrooms. There is a three night minimum stay requirement for this house. The following table presents the rates for the house at St. Malo.

Table 13		St. Malo	
Start Date	End Date	Nightly	Weekly
January 7, 2007	May 25, 2007	\$595	\$2,950
May 26, 2007	September 2, 2007		\$4,150
September 3, 2007	November 15, 2007	\$595	\$3,150
November 16, 2007	November 30, 2007		\$4,350
December 1, 2007	December 18, 2007	\$595	\$3,150
December 19, 2007	January 2, 2008		\$4,350
January 3, 2008	March 19, 2008	\$595	\$3,150

Barbara McLain Property Management manages 48 properties on Pacific Street in Oceanside as vacation rentals. Accommodations range from one bedroom units to five bedroom units, all located proximate to the beach. All units have a three night minimum stay requirement. Although weekly rates vary depending on the type of unit and the season ranging from \$1,000 to \$7,900, all accommodations have a daily rate over \$100. Following the trend of coastal accommodations, rates are higher during the summer months of June, July, and August.

In addition to the vacation rentals presented above, there are several units that are rented out that do not file the appropriate paperwork with the City for the required transient occupancy tax, nor register for the appropriate business licenses, despite the City's efforts to take preventative steps to bring these properties into compliance. The availability of the vacation rental to visitors is completely at the discretion of the owners, making this type of accommodation an inconsistent choice for visitors. As such, it is virtually impossible to estimate the total number of vacation rentals available in this category to visitors at a given time.

Demand for Coastal Accommodations over \$100

The 52-unit *Oceanside Marina Inn*, located at 2008 Harbor Drive North, is the only hotel with an Average Daily Rate over \$100. Over the past five years, occupancy rates have averaged 70 percent and the average daily rate has ranged from \$110 to \$130. The property is located on a private peninsula on the Oceanside Harbor, surrounded by water on three sides. The property offers a complimentary breakfast, pool, whirlpool, sauna and BBQ area. Room accommodations include standard rooms, and one and two bedroom suites with private patios and fully equipped kitchen.

In 2006, the occupancy rate by season for the Oceanside Marina Inn had a variance of only nine percentage points between the high season in Quarter Three (July through September) and the low season during Quarter Four (October through December). This means that the Oceanside Marina Inn, which has the highest Average Daily Rate in the City, had little change in occupancy from season to season, which is an indication of strong demand.

Demand for the Oceanside Marina Inn during the peak season, July through Labor Day weekend, averages between 90 to 100 percent occupancy which is substantially higher than demand for affordable coastal properties which in the peak season which averaged 67 percent. This means even in the peak summer months the demand for affordable coastal properties is being met.

Summary of Projected Demand for Coastal Accommodations over \$100

In terms of demonstrated demand, there is a noticeable lack of Coastal Accommodations over \$100. The City of Oceanside currently has only one hotel, Oceanside Marina Inn, that is a Coastal Accommodations over \$100. Demonstrated demand for this property, as reflected in occupancy, has consistently been averaging 70 percent which is higher than demand for the affordable coastal properties, which average 48 percent, as shown in Table 4. In addition, the vacation rentals have reported high average occupancy rates averaging 80 percent; however vacation rentals are rented as hotel rooms at the discretion of the owners.

According to PKF's Trends in the Hotel Industry, Coastal Accommodations over \$100 in Northern San Diego County had a 2006 average occupancy rate of 74.9 percent, up from 72.6 percent in 2005. Based on numerous market studies conducted by PKF Consulting

for Coastal Accommodations over \$100 throughout California, when accommodations offering more amenities and services were available, there was sufficient demand for these hotels, based on historical performance of similar hotels. With efficient management, marketing, high quality facilities, amenities and services Coastal Accommodations over \$100 will be able to generate demand among regional and national travelers.

NON-COASTAL HOTEL ACCOMMODATIONS

Historical, Current, and Anticipated Changes in the Competitive Supply

Table 14 shows the current and projected supply of non-coastal hotel accommodations in Oceanside, California.

Table 14	Non-Coastal Hotels									
	Historical, Current, and Anticipated Competitive Supply									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	
1. Motel 9	44	44	44	44	44	44	44	44	44	44
2. Extended Stay America	101	101	101	101	101	101	101	101	101	101
3. Ramada Limited	66	66	66	66	66	66	66	66	66	66
4. Holiday Inn Express	62	62	62	62	62	62	62	62	62	62
5. Comfort Suites Marina	72	72	72	72	72	72	72	72	72	72
6. Quality Inn & Suites	72	72	72	72	72	72	72	72	72	72
7. Best Western Marty's Valley Inn	107	107	107	107	107	107	107	107	107	107
8. Motel 6 Plaza Drive	136	136	136	136	136	136	136	136	136	136
9. Best Western Oceanside	80	80	80	80	80	80	80	80	80	80
10. Residence Inn	0	0	0	0	0	0	125	125	125	125
Total Rooms Available	740	740	740	740	740	740	865	865	865	865
% Change	N/A	0.0%	0.0%	0.0%	0.0%	0.0%	16.9%	0.0%	0.0%	0.0%

Source: PKF Consulting

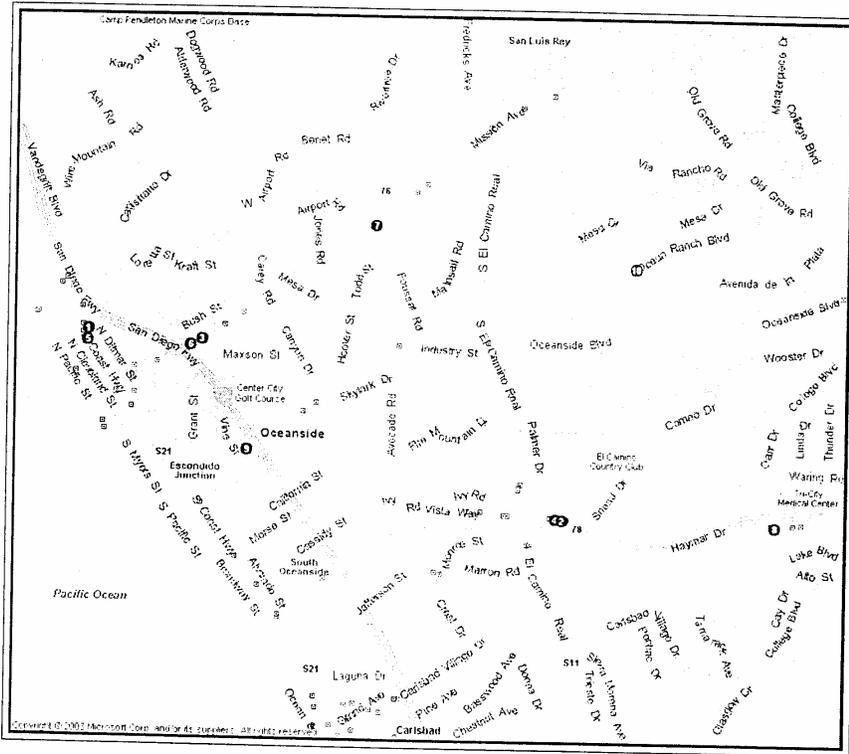
As noted in Table 14, Non-Coastal Accommodations are comprised primarily of well-recognized hotel chains. Currently there are nine Non-Coastal Accommodations with a total of 740 rooms. All of the existing Non-Coastal Accommodations in Oceanside are affordable accommodations, meaning they have an average daily rate below \$100.

In the past five years, the Non-Coastal Accommodation group has not experienced any changes to supply. However, a 125-room Residence Inn by Marriott is projected to open by 2008, which will increase supply by 16.9 percent. We estimate that the Residence Inn will be a non-coastal accommodation with an average daily rate over \$100.

A 120-room hotel was proposed for the Oceanside Pavilions, a retail area being developed by Thomas Enterprises; however, the application for a hotel on this development has been withdrawn by the applicant.

The map on page 20 shows the location of the non-coastal hotels in the City of Oceanside.

Non-Coastal Accommodations



Demand for Non-Coastal Accommodations

Table 16 shows the total annual available and occupied rooms, the total occupancies, the average daily room rates, and the revenue per available room (RevPAR) for non-coastal accommodations from 2002 to 2006.

Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	RevPAR	Percent Change
2002	270,100	N/A	166,826	N/A	61.8%	\$62.37	N/A	\$38.52	N/A
2003	270,100	0.0%	168,655	1.1%	62.4	64.44	3.3%	40.24	4.5%
2004	270,100	0.0	171,710	1.8	63.6	64.84	0.6	41.22	2.4
2005	270,100	0.0	173,711	1.2	64.3	67.84	4.6	43.63	5.8
2006	270,100	0.0	184,241	6.1	68.2	68.29	0.7	46.58	6.8
CAAG		0.0%		2.5%			2.3%		4.9%

Source: PKF Consulting

As shown in Table 16, over the past five years, annual Non-Coastal Accommodation supply has remained constant, and demand, as measured in occupied room nights, increased 2.5 percent.

In 2006, room occupancy rate increased by 6.1 percent to achieve a market occupancy of 68.2 percent. Market occupancy in this group has shown increases since 2003. Average daily rate has shown 2.3 percent growth since 2002. RevPAR for Non-Coastal Accommodations has grown at a healthy 4.9 percent. Significant growth took place in 2005 and 2006 at 5.8 and 6.8 percent, respectively, resulting in a 2006 RevPAR of \$46.58.

Seasonality Patterns of Non-Coastal Accommodations

When analyzing occupancy rates and average daily rates by for the Non-Coastal Accommodations by quarter, it is clear that overnight accommodations outside of the coastal zone also have a pattern of seasonality. Table 17 and Table 18 on the following page represent occupancy and average daily rate by quarter.

Table 17

Non-Coastal 2006 Occupancy by Quarter

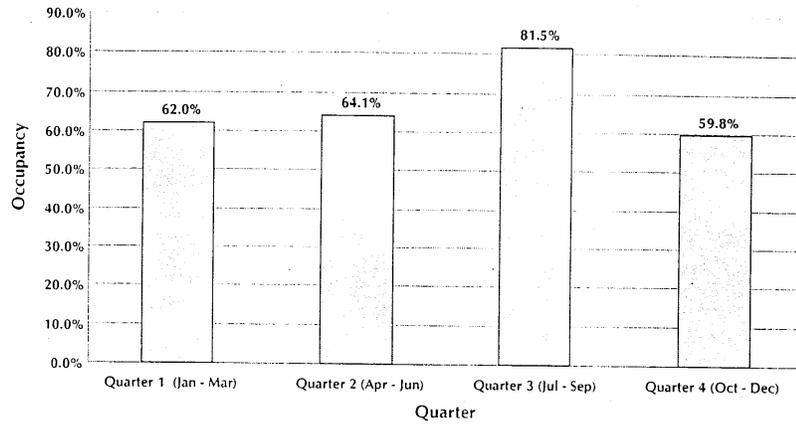
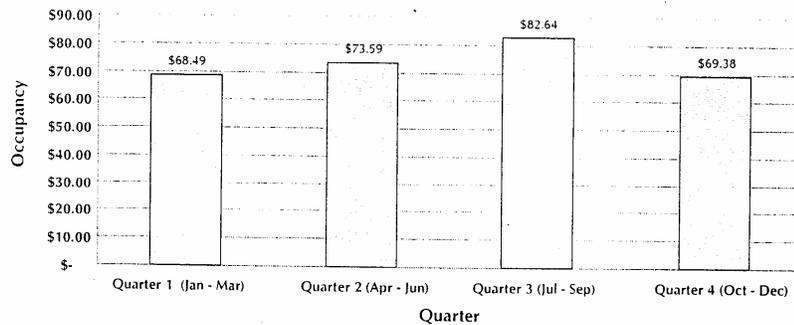


Table 18

Non-Coastal 2006 Average Daily Rate by Quarter



As shown in Table 17, occupancy in the Non-Coastal Accommodation group ranges from 62.0 percent in Quarter One (January through March) to 81.5 percent in Quarter Three (July through September), a variance of 19.5 percentage points. Average daily rate in Table 18 ranges from \$68.49 in Quarter One to \$82.64 in Quarter Three, a variance of \$14.15.

Non-Coastal Accommodation demand as determined by occupancy and average daily rate, is the highest in Quarter Three. The colder seasons, Quarter One and Quarter Four (October through December) display significantly lower demand. Although these properties cater more to corporate travelers than coastal hotels, it is clear that they are influenced by the same seasonal patterns as the Affordable Coastal Accommodation group.

Summary of Projected Demand For Non-Coastal Accommodations Group

Occupancy for the Non-Coastal Accommodation group is projected to decrease to 67 percent in 2008 as the market absorbs the new hotel rooms from the 125-room Residence Inn. Based on historical performance of the Oceanside market, it is PKF's opinion that this competitive market will be able to absorb the addition of the 125-room Residence Inn, which is contained within a 400-acre business park. The Residence Inn by Marriott is a strong brand name among corporate and leisure travelers. We project that occupancy will stabilize in 2009 at 68 percent as the new rooms from the residence inn are absorbed into the market.

The average daily rate is estimated to increase 4.0 percent in 2007, equaling an average daily rate of \$71.00. Average daily rate growth through 2011 is estimated to be at or near the rate of inflation which is 3.0 percent.

The projected growth in supply, occupied room nights, average daily rate, and RevPAR (a combination of occupancy and average rate) through 2011 is presented in Table 19 below.

Year	Annual Supply	Percent Change	Occupied Rooms	Percent Change	Market Occupancy	Average Daily Rate	Percent Change	REVPAR	Percent Change
2007	270,100	0.0%	183,700	-0.3%	68%	\$71.00	4.0%	\$48.29	3.7%
2008	315,725	16.9	210,800	14.8	67	73.00	2.8	48.74	0.9
2009	315,725	0.0	214,700	1.9	68	75.00	2.7	51.00	4.6
2010	315,725	0.0	214,700	0.0	68	78.00	4.0	53.04	4.0
2011	315,725	0.0	214,700	0.0	68	80.00	2.6	54.40	2.6
CAAG	4.0%		4.0%			3.0%		3.0%	

Source: PKF Consulting

Transient Occupancy Tax (TOT) Revenues

The City of Oceanside is especially dedicated to developing Oceanside into a tourism destination through the development of hotels. To measure the growth of tourism experienced by the City of Oceanside, the following tables contain the transient occupancy taxes collected from 2002 to 2007 in fiscal year intervals which start annually on July 1 through June 30. TOT revenue is collected from hotels, motels, and vacation rentals. In addition, World Mark Trendwest, a timeshare property, pays TOT on a negotiated basis to satisfy the debt service for a Community Facilities District (CFD). That TOT accrues to the Oceanside Redevelopment Agency and is not included in the following tables. The tables present total TOT, Coastal TOT, and non-coastal TOT.

Table 20a City of Oceanside Transient Occupancy Tax Revenue Collections 2002-2007 Fiscal Years	
Year	Amount
2002/2003	\$1,636,598
2003/2004	1,824,136
2004/2005	2,014,902
2005/2006	2,185,113
CAAG	10%
YTD 2006/2007	\$1,305,092

Source: City of Oceanside,
Fiscal Services Department

As illustrated in Table 20a, the total transient occupancy taxes collected have increased 10.0 percent annually over the past four fiscal years, growing from \$1.6 million in fiscal year 2002/2003 to \$2.2 million in the 2005/2006 fiscal year. This is due to an increase in supply and increased room rates.

Table 20b City of Oceanside Transient Occupancy Tax Revenue Collections 2002-2007 Fiscal Years for COASTAL Accommodations	
Year	Amount
2002/2003	\$ 981,452
2003/2004	1,107,159
2004/2005	1,297,918
2005/2006	1,285,702
CAAG	9%
YTD 2006/2007	\$785,867

Source: City of Oceanside,
Fiscal Services Department

Table 20c City of Oceanside Transient Occupancy Tax Revenue Collections 2002-2007 Fiscal Years for Non-Coastal Accommodations	
Year	Amount
2002/2003	\$655,146
2003/2004	716,977
2004/2005	716,984
2005/2006	899,411
CAAG	11%
YTD 2006/2007	\$520,225

Source: City of Oceanside,
Fiscal Services Department

Table 20b shows that the amount of TOT collected in the coastal area has increased by nine percent (9%) over the past four fiscal years; and Table 20c shows that TOT from the non-coastal area has increased by eleven percent (11%) over the past four fiscal years.

The transient occupancy tax shown in Tables 20a, 20b and 20c represents only the TOT paid to the General Fund. As discussed above, World Mark Trendwest is a coastal timeshare property that entered into a Community Facilities District (CFD) Agreement with the Redevelopment Agency in 2001 to issue bonds to pay for public improvements. Fifty percent of the Trendwest TOT that is collected is used to make payments on the bonds. The remainder of the TOT is paid to the Redevelopment Agency. The CFD is scheduled to be paid off in fiscal year 2017-2018, at which time the TOT received from Trendwest will be included in the General Fund.

Conclusion

As displayed in Table 21a, the total overnight accommodations in the City of Oceanside as of March 2007, equals 1,295 hotel rooms, which excludes RV Parks, vacation rentals, and

timeshares. Coastal accommodations represent 43 percent of total hotel rooms in Oceanside, as compared to 57 percent outside of the coastal area.

Type	Units	Percentage
Affordable Coastal Accommodations	503	39%
Coastal Accommodations over \$100 Coastal	52	4%
Non-Coastal Accommodations	740	57%
Total	1,295	100%

Source: PKF Consulting

Table 21b shows citywide hotel room affordability with 96 percent considered affordable.

Type	Units	Percentage
Total Citywide Affordable Accommodations	1,243	96%
Total Non-Affordable Accommodations	52	4%
Total Citywide Accommodations	1,295	100%

Source: PKF Consulting

Table 21c shows the total number of hotel rooms in the Coastal Zone. Approximately 91 percent of the total coastal supply is comprised of affordable accommodations.

Type	Units	Percentage
Affordable Coastal Accommodations	503	91%
Coastal Accommodations over \$100	52	9%
Total Coastal Accommodations	555	100%

Source: PKF Consulting

Currently, Coastal Accommodations over \$100 represent only nine percent of the total supply in Oceanside (Table 21c). This group consists of only the Oceanside Marina Inn which has consistently had high occupancy rates averaging 70 percent annually. The demonstrated demand for the Oceanside Marina Inn, in the Coastal Accommodations over \$100 group, means that proposed fractional/timeshares, hotels or condo-hotels would not be displacing the demand for Affordable Coastal Accommodations.

As referenced in the Table 4, the occupancy rate for the Affordable Coastal Accommodations has consistently been between 43 to 49.9 percent. In 2006, the demand for Affordable Coastal Accommodations decreased by 4.5 percent. Therefore, PKF finds no support to mitigate for fractional ownership, timeshare projects, condo-hotels or affordable coastal accommodations.

Addendum A
Glossary of Terms

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Addendum A-1

Affordable Coastal Accommodations

Accommodations located within the coastal zone with an average daily rate below \$100.

Annual Demand

The quantity of a commodity or service wanted at a specified price and time in a given year; in the case of this study, hotel rooms.

Annual Supply

The total number of units available in a given year. For example: In 2007, the annual supply for affordable coastal accommodations is 516 rooms x 365 days, which is equal to an annual supply of 188,340 rooms.

Annualized Room Nights

When an addition to supply occurs at any time other than the beginning of the year, the addition of supply is distributed between two years based on the month in which the property opened. Annualized room nights refers to the additional room nights that are accounted for in the year following the opening year. For example if a 100-room hotel opens in June of 2007, 50 rooms will be added to the supply in 2007, representing six months of operation, and an additional 50 rooms will be added to the supply in 2008.

Average Daily Rate (ADR)

Total room revenue divided by rooms sold.

CAAG

The Compound Annual Average Growth is the weighted average of the changes in annual supply, occupied rooms, average daily rate or RevPAR from year to year with the most current year weighted more heavily.

Competitive Supply

The total number of available rooms in a market, in this case the City of Oceanside.

Condo-Hotel

Condo-hotels are vacation home ownerships where the owner can live in the unit for a limited time each year- usually 90 days. The remaining part of the year, the unit can be placed in a rental pool where the profits are shared between the operator and the owner. Rental profits can be generated one of two ways: the profits can be from the owner's individual unit or all of the units are pooled together and divided using a formula. Usually the hotel pays for most operating expenses while the owner pays real estate taxes, insurance, and capital improvements.

Fractional Ownership

A facility providing overnight visitor accommodations where units are sold in intervals of more than one week but less than whole ownership. Fractional ownership differs from timeshares in that the amount of usage time purchased is longer, the amenities offered are

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Addendum A-2

typically more upscale, and the units are larger. When a fractional ownership unit is not in use, the owner can put the unit in a rental pool to be sold as a hotel room.

Market Occupancy

Total number of occupied rooms divided by annual supply.

Market Share

Total room supply, room demand or room revenue as a percent of some larger group.

Occupied Rooms

The total number of rooms sold in a year.

Revenue Per Available Room (RevPAR)

Market occupancy x average daily rate.

Seasonality Patterns

Any trends that are affected or caused by seasonal need or availability. For instance, certain beachfront destinations typically capture a larger percentage of their total yearly demand from May to September.

Timeshare

This is a term used to describe the right and joint ownership of a resort property, such as a condominium, that is shared with others. Each "owner" owns a certain period of time and occupies a unit of accommodations on a regular basis for a number of years.

Coastal Accommodations over \$100 Accommodations

For the purpose of this study, the phrase Coastal Accommodations over \$100 accommodations refers to accommodations that have an average daily rate above \$100.

Vacation Rental

Vacation rental is a term in the travel industry, which refers to a furnished apartment or house that can be rented out on a temporary basis to tourists as an alternative to a standard hotel room.

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Addendum B

Statement of Assumptions and Limiting Conditions

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Addendum B-1

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

This report is made with the following assumptions and limiting conditions:

Economic and Social Trends - The consultant assumes no responsibility for economic, physical or demographic factors which may affect or alter the opinions in this report if said economic, physical or demographic factors were not present as of the date of the letter of transmittal accompanying this report. The consultant is not obligated to predict future political, economic or social trends.

Information Furnished by Others - In preparing this report, the consultant was required to rely on information furnished by other individuals or found in previously existing records and/or documents. Unless otherwise indicated, such information is presumed to be reliable. However, no warranty, either express or implied, is given by the consultant for the accuracy of such information and the consultant assumes no responsibility for information relied upon later found to have been inaccurate. The consultant reserves the right to make such adjustments to the analyses, opinions and conclusions set forth in this report as may be required by consideration of additional data or more reliable data that may become available.

Hidden Conditions - The consultant assumes no responsibility for hidden or unapparent conditions of the property, subsoil, ground water or structures that render the subject property more or less valuable. No responsibility is assumed for arranging for engineering, geologic or environmental studies that may be required to discover such hidden or unapparent conditions.

Hazardous Materials - The consultant has not been provided any information regarding the presence of any material or substance on or in any portion of the subject property or improvements thereon, which material or substance possesses or may possess toxic, hazardous and/or other harmful and/or dangerous characteristics. Unless otherwise stated in the report, the consultant did not become aware of the presence of any such material or substance during the consultant's inspection of the subject property. However, the consultant is not qualified to investigate or test for the presence of such materials or substances. The presence of such materials or substances may adversely affect the value of the subject property. The value estimated in this report is predicated on the assumption that no such material or substance is present on or in the subject property or in such proximity thereto that it would cause a loss in value. The consultant assumes no responsibility for the presence of any such substance or material on or in the subject property, nor for any expertise or engineering knowledge required to discover the presence of such substance or material. Unless otherwise stated, this report assumes the subject property is in compliance with all federal, state and local environmental laws, regulations and rules.

Zoning and Land Use - Unless otherwise stated, the projections were formulated assuming the hotel to be in full compliance with all applicable zoning and land use regulations and restrictions.

Licenses and Permits - Unless otherwise stated, the property is assumed to have all required licenses, permits, certificates, consents or other legislative and/or administrative authority from any local, state or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.

Engineering Survey - No engineering survey has been made by the consultant. Except as specifically stated, data relative to size and area of the subject property was taken from sources considered reliable and no encroachment of the subject property is considered to exist.

Subsurface Rights - No opinion is expressed as to the value of subsurface oil, gas or mineral rights or whether the property is subject to surface entry for the exploration or removal of such materials, except as is expressly stated.

Maps, Plats and Exhibits - Maps, plats and exhibits included in this report are for illustration only to serve as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced or used apart from the report.

Legal Matters - No opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate consultants.

Right of Publication - Possession of this report, or a copy of it, does not carry with it the right of publication. Without the written consent of the consultant, this report may not be used for any purpose by any person other than the party to whom it is addressed. In any event, this report may be used only with proper written qualification and only in its entirety for its stated purpose.

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Addendum B-2

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS

(continued)

Testimony in Court - Testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal, unless such arrangements are made a reasonable time in advance of said hearing. Further, unless otherwise indicated, separate arrangements shall be made concerning compensation for the consultant's time to prepare for and attend any such hearing.

Archeological Significance - No investigation has been made by the consultant and no information has been provided to the consultant regarding potential archeological significance of the subject property or any portion thereof. This report assumes no portion of the subject property has archeological significance.

Compliance with the American Disabilities Act - The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We assumed that the property will be in direct compliance with the various detailed requirements of the ADA.

Definitions and Assumptions - The definitions and assumptions upon which our analyses, opinions and conclusions are based are set forth in appropriate sections of this report and are to be part of these general assumptions as if included here in their entirety.

Dissemination of Material - Neither all nor any part of the contents of this report shall be disseminated to the general public through advertising or sales media, public relations media, news media or other public means of communication without the prior written consent and approval of the consultant(s).

Distribution and Liability to Third Parties - The party for whom this report was prepared may distribute copies of this appraisal report only in its entirety to such third parties as may be selected by the party for whom this report was prepared; however, portions of this report shall not be given to third parties without our written consent. Liability to third parties will not be accepted.

Use in Offering Materials - This report, including all cash flow forecasts, market surveys and related data, conclusions, exhibits and supporting documentation, may not be reproduced or references made to the report or to PKF Consulting in any sale offering, prospectus, public or private placement memorandum, proxy statement or other document ("Offering Material") in connection with a merger, liquidation or other corporate transaction unless PKF Consulting has approved in writing the text of any such reference or reproduction prior to the distribution and filing thereof.

Limits to Liability - PKF Consulting cannot be held liable in any cause of action resulting in litigation for any dollar amount which exceeds the total fees collected from this individual engagement.

Legal Expenses - Any legal expenses incurred in defending or representing ourselves concerning this assignment will be the responsibility of the client.

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Attn: Toni Ross



CITY OF OCEANSIDE

Economic Development & Redevelopment

April 23, 2008

Deborah N. Lee
District Manager
California Coastal Commission
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108-4421

RECEIVED

APR 24 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Re: City of Oceanside LCPA-1-07 – Resubmittal of Suggested Modifications

Dear Ms. Lee:

On December 12th, 2007, the Coastal Commission took action with respect to the City of Oceanside LCPA 01-07. This action included adoption of Suggested Modification #5 relating to the In Lieu Fee; Suggested Modification #7 with respect to special requirements for Condominium Hotels; and Suggested Modification #8 with respect to special requirements for Fractional Ownership hotels.

The City's comments to the Revised Findings are contained in the letter previously sent to you. At the April 10, 2008 Commission meeting the Commission continued the Revised Findings for the LCPA 01-07. At the staff meeting we have scheduled for Thursday, April 24, 2008, the City wishes to review both the Revised Findings as well as the Resubmittal in hopes that both of these items can be heard by the Commission at their June meeting.

While much of the LCPA is not in contention, there are some significant outstanding issues. The City and the developer of the Beach Resort find difficulty with Suggested Modifications 5, 7 & 8 and have proposed alternative language. This language differs from that contained in the proposed Revised Findings in a number of important ways as described below.

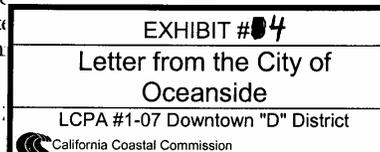
The City plans to take language back to the City Council for approval on May 7, 2008. Once adopted by the City Council, these conditions will be re-submitted to the Coastal Commission for consideration at the June 2008 meeting.

Based upon input from Scott Turner, of Cox Castle, counsel for the hotel developer, the conditions for Condominium Hotels and Fractional Ownership Hotels as currently written will create problems for project financing, unit sales, marketing and operations at a later date. He suggests that the most important of these are as follows:

A. Operating Conditions for both Condominium Hotels and Fractional Ownership Hotels

1. **SEC Issue**-- It is of critical importance for both Condominium Hotels and Fractional Ownership Hotels that it is explicitly clear that unit/intent to use the rental services of the hotel operator. Failure to abide by th

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or private attorneys to deem or allege that the sale of the unit/interval is a securities offering, with grave legal consequences for the project. Use of the hotel operator as a rental agent is a decision that each owner of a condominium hotel unit or fractional unit should voluntarily make. Most owners will voluntarily decide to hire the operator as their rental agent, but this can't be required.

The language must be made clear to distinguish between the function of the "rental agent" (who may be unrelated to the hotel operator) and the "booking" party who controls access and keeps records based on information provided by the Unit/Interval owner.

2. Joint & Several Liability- The conditions require joint and several liability between the hotel owner/hotel operator and individual unit/interval owners for any violation of the special conditions regarding use of the unit. It is unreasonable to impose on any person a penalty for the conduct of another. The Hotel Operator has no way of knowing if a unit/interval owner is in violation of the conditions. The individual unit/interval owner has no way of knowing if the Hotel Operator is in violation. Each party should be liable for their respective failures to abide by the regulations.

Qualified hotel operators will not want this exposure and will decline to operate and potential unit buyers may be advised by their attorney to avoid this liability. While this issue applies to both Condominium Hotels and Fractional Ownership Hotels, it is compounded in the case of Fractional Ownership Hotel where there is typically 12 times the number of owners as compared to each Condominium Hotel of similar size.

It is also unnecessary to require joint and severable liability. The City plans to monitor and enforce the rental of the Fractional Ownership Hotel and Condominium Hotel units to the public in accordance with its LCP. The City collects a Transient Occupancy Tax from such public rentals, and therefore has a strong economic motive to insist on the greatest possible public use of Fractional Ownership Hotel and Condominium Hotel units to the public.

3. Audits- The conditions require the performance of costly annual audits for a minimum of five years, and probably more. We have proposed that the operator provide a detailed compliance report and that an audit would only be required if requested by the City's Economic and Community Development Director if he or she reasonably believes the submitted reports are materially inaccurate.

4. Approval of CC&Rs- The conditions require that CC&Rs for the project be approved by the Executive Director of the Coastal Commission. Given what we understand to be the lack of staffing and the workload of the Coastal staff it is not practical to require approval by the Executive Director of the Coastal Commission. We have proposed that the City's Economic and Community Development Director review and approve the CC&Rs for compliance. Failure by Coastal staff to timely process CC&Rs will delay financing, development, and sales of a project.

B. Issues relating exclusively to Fractional Ownership Hotels

1. Collective 90 day Limitation on Use by Owner(s) - Unlike a Condominium Hotel where the unit owner(s) comprise an individual or single ownership group, the Fractional Ownership Hotel is a timeshare in which all the intervals are sold, therefore, the owners of a Fractional Hotel unit, collectively, have paid for the right to use all of the days of the year. Accordingly, the 90 day limitation should limit the use of a Fractional Ownership Hotel unit by an owner of a Fractional Interest. This use limitation should not apply to use by all of the Fractional Interest owners allocable to a unit. We believe staff understands and agrees with this position.

2. Timing of Fractional units being open to reservation for the Public- To understand this issue one needs to understand how a fractional is sold and operated. Fractional owners typically purchase the right to use a unit within a Fractional Ownership Hotel for between three and six weeks a year—with four weeks being typical. The ability to exchange through a brand system (e.g., Marriott, Hilton, Hyatt) or a Exchange Service (e.g., RCI or Interval International) is central to the purchaser's motivation.

A Fractional Interest purchaser's use of the unit is set forth in a Use Plan. Most all Use Plans for Fractional Interests involve multiple type reservation windows within which an owner may reserve a Fractional Ownership Hotel unit. Commonly an Owner's use of time is split between two types of use:

- a. "Plan Ahead" time which may be reserved by owners early, during a reservation window commencing, typically, six (6) to (12) months in advance of a use period and ending approximately sixty (60) days prior to a use period.
- b. "Space Available" time which is time that has not been reserved by an owner as Plan Ahead time, and which may be reserved by owners later in time, during a reservation window usually commencing sixty (60) days to two (2) weeks prior to a use period, and usually ending one (1) day prior to a use period.. It is very difficult to sell a fractional where all the time is "Plan Ahead" time because of the inflexibility of the usage.

Fractional Interest owners expect to use their fractional project and should have a right to compete for reservations only with other owners or exchange users until 60 days in advance of an Occupancy period. Thereafter, members of the public and the owners should have an equal right to reserve a fractional unit or a fractional unit as a hotel unit. Otherwise, it is unlikely that the public will purchase fractional interests because the rental competition will deprive them of the benefit. A Fractional Interest owner would have the right to exchange or rent their Plan Ahead time if they so desire and could do so either through a third party rental agent or through the hotel operator. It is worth noting that the City, understanding the limitations on Fractional Interest rentals, limited the Fractional Ownership Hotel component to 15% of the total hotel units, so that the vast majority of the hotel units are fully subject to public rental.

As a general matter, we note that the conditions in their current format are based on those adopted by Mayer Group in Huntington Beach. That project is not an appropriate precedent for the Fractional Ownership Hotel and Condominium Hotel provisions of the Oceanside LCPA. That project, which is a 100% condominium hotel (as opposed to a small component of a traditional hotel as is the case in Oceanside), has not been financed, is not under construction, and has not commenced sales. While conditions for that project were adopted for Fractional Ownership Hotels as well as Condominium Hotels, no Fractional Ownership Hotel was included in the project at the time it obtained Coastal Commission approval. Accordingly, the conditions for that project were not reviewed with an eye toward the distinctive nature of Fractional Interests.

To the consultant's knowledge, no Fractional Hotel has ever been built with restrictions similar to those proposed by Coastal staff. In fact, while numerous Condominium Hotels have been approved by the Coastal Commission in recent years, the only major comparable Condominium Hotel projects in the Coastal Zone that has actually been financed, gone into construction, and commenced sales is Terranea, the Long Point Project in Palos Verdes. It is worth noting that not one of the objectionable provisions outlined above are in the conditions imposed on that project. The proposed conditions are not in keeping with reasonable commercial practice and will pose unreasonable hardships later in the process of development and sales.

C. Issues Related to In Lieu Fee

Of particular concern to the City is the language of the imposition of the \$30,000 a door in lieu fee for existing motels and hotels being redeveloped. As acknowledged by the staff, and reflected in the transcript, the City's Local Coastal Plan protects 375 low cost visitor serving accommodations. The City provided evidence at the hearing and in its letter to the Commission that the City not only has the minimum, but an over abundance amount of low cost visitor serving accommodations and the City believes that the Coastal Commission accepted the City's arguments.

In total, there were 562 rooms in the coastal zone as of October, 2007 and 90.8% were low cost. The nexus for the imposition of the fee was discussed by Commissioner Reilly; he questioned the nexus for the fee, as does the City, when Oceanside's percentage of inventory of low cost visitor accommodations is so large when compared to other cities.

The Land Use Plan (LUP) was not before the Commission in December, 2007, only the Local Implementing Program (LIP). Therefore, the standard of review for the Commission is whether the LIP as amended carries out the policies of the LUP. The Commission acknowledged that the City has many more accommodations than are required and did not change the LUP or the LIP requirement for the 375 units. Therefore, the only way that the fee can be reconciled in the Commission's action is to apply it to motel and hotel demolitions and rebuilds when the City's coastal inventory falls below the 375 unit complement.

Executive Director Douglas stated that "if there is a desire to change that, to modify that, we are certainly willing to work with the city on an amendment." The City strongly believes that such a fee should not be imposed.

The Commission directed cities to pursue a Local Coastal Plan Amendment if fractional time shares or condo hotels were to be utilized and to conduct an inventory of rooms. The City did that and the study indicated the overwhelming number of affordable rooms. The City followed the direction of the Commission, rather than dealing with the hotel project on a case by case basis. The City believes that such a fee is punitive.

The enclosed language for Suggested Modification 7 and 8 is based on information provided by experienced and well respected legal counsel who specializes in the hospitality industry. The enclosed language for Suggested Modification # 5 is only in the event that, in spite of the overwhelming evidence, the Commission chooses to impose a fee. In addition, there are minor revisions to Suggested Modifications #1-4 that are consistent with all of the other revisions.

We look forward to seeing you on Thursday, April 24 at 10:00 am to discuss these issues and the specific language. Should you have any questions, please give me a call at 760-435-3355 or Kathy Baker, Redevelopment Manager at 760-435-3547.

Sincerely,



Jane McVey

SUGGESTED MODIFICATION #1

Revise Article 4a Section 450 of the Zoning Ordinance as Follows:

T. Visitor Accommodations.

4. **Condominium Hotel – Facility providing overnight visitor accommodations where ownership of at least some of the individual guestrooms (units) within the larger building or complex is in the form of separate condominium ownership interests, as defined in California Civil Code section 1351(f). The primary function of the Condominium-Hotel is to provide overnight transient visitor accommodations within every unit that is available to the general public on a daily basis year-round, while providing both general public availability and limited owner occupancy of those units that are in the form of separate condominium ownership interests.**

Condominium Hotel. A facility providing overnight visitor accommodations, where at least some of the guest rooms are in the form of separate condominium ownership interests. When a condo-hotel unit is not occupied by its owner, that unit shall be made available to the general public through the hotel operator. If a Condominium Hotel includes traditional hotel units, the facility may use those rooms alone or in combination with its condo-hotel units to satisfy any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations in the summer season, which is Memorial weekend through Labor Day.

SUGGESTED MODIFICATION #2

Add Article 4a Section 450 Visitor Accommodation - Special Requirements of the Zoning Ordinance as Follows:

1. **Hotel Owner/Operator** – The entity that owns and operates a hotel. **The Hotel Owner may be different from the Hotel Operator, and when referred to jointly, one or the other shall be responsible for the act in question.** *If the hotel operator is separate from the hotel owner, both shall be jointly and severally responsible for ensuring compliance with the requirements described in the Local Coastal Plan and/or recorded against the property, as well as jointly and severally liable for violations of said requirements and restrictions.* The owner/operator shall manage all guestrooms/units as part of the hotel inventory, which management shall include the booking of reservations, mandatory front desk check-in and check-out, maintenance, cleaning services and preparing units for use by guest and owners. Owner/operator shall retain control of all land, structures, recreational amenities, meeting spaces, restaurants, "back of house" and other guest-room facilities.

2. Hotel Conversion - Any hotel rooms for which a Certificate of Occupancy has been issued at the effective date of adoption of this section shall not be converted to ~~an~~ Integrated Resort a Limited Use Overnight Visitor Accommodation.

SUGGESTED MODIFICATION #3

Replace Article 4a (Redevelopment) section 450 Visitor Accommodations, as follows:

7. Limited Use Overnight Visitor Accommodation: Integrated Resort-A resort that includes both traditional hotel lodging and some combination of timeshares, fractional time shares, or condo-hotel units. Up to 25% of the total rooms in Limited Use Overnight Visitor Accommodation ~~an Integrated Resort~~ may be timeshare, fractional timeshare or condo-hotel units; however, no more than 15% of the total rooms in a Limited Use Overnight Visitor Accommodation may be Fractional timeshare units. A Limited Use Overnight Visitor Accommodation ~~Integrated Resort~~ is exempt from any requirement that a substantial portion of its units be permanently reserved for transient overnight accommodations in the summer season, which is Memorial weekend through Labor Day.

SUGGESTED MODIFICATION #4

Add Article 4a (Redevelopment) section 450 Visitor Accommodations-Special Requirements, as follows:

3. New Limited Use Overnight Visitor Accommodation Projects - will be required to prepare Covenants, Conditions, and Restrictions (CC& R's) that shall be recorded concurrently with the recordation of all tract maps against all individual property titles reflecting the use restrictions and will conform to the restrictions outlined below, including how the transient overnight requirement for summer season will be satisfied and how the any required in-lieu fees will be managed.

4. Limited Occupancy. An owner of a timeshare interest, Ffractional timeshare interest or a condo hotel unit, may occupy their unit no more than 90 days per calendar year with a maximum of 29 days of use during any 60-day period.

SUGGESTED MODIFICATION #5

Add Article 4a (Redevelopment) section 450 Visitor Accommodations-Special Requirements, as follows:

Protection of Existing Overnight Visitor Accommodations - Any overnight visitor accommodations for which a Certificate of Occupancy has been issued prior to or on the effective date of adoption of this section shall not be converted to a Limited Use Overnight Visitor Accommodation.

Any proposal to demolish existing lower cost overnight visitor accommodations that would reduce the number of lower cost overnight visitor accommodations within the coastal zone of the City to less than 375 would be mitigated by a fee paid by the proponent

a) In-lieu Fee Required

Development of replacement overnight accommodations that are not "lower cost" shall be required to pay, as a condition of approval of a coastal development permit, an in-lieu fee to provide significant funding to assist in the creation of a substantial contribution to lower cost overnight visitor accommodations within North San Diego County.

The fee shall be \$30,000 per room multiplied by a number equal to 50% of the demolished, un-replaced lower cost overnight visitor accommodations.

The fee (i.e. \$30,000 in 2007) shall be adjusted annually to account for inflation according to increases in the Consumer Price Index – U.S. City Average.

The required in-lieu fees shall be deposited into an interest-bearing account, to be established and managed by one of the following entities approved by the Executive Director of the Coastal Commission: City of Oceanside, Hostelling International, California Coastal Conservancy, California Department of Parks and Recreation or a similar entity. The purpose of the account shall be to establish lower cost overnight visitor accommodations, such as new hostel beds, tent campsites, cabins or campground units, at appropriate locations within the coastal area of North San Diego County. The entire fee and accrued interest shall be used for the above-stated purpose, in consultation with the Executive Director, within ten years of the fee being deposited into the account. All development funded by this account will require review and approval by the Executive Director of the Coastal Commission and a coastal development permit if in the coastal zone. Any portion of the fee that remains after ten years shall be donated to one or more of the State Park units or non-profit entities providing lower cost visitor amenities in a Southern California coastal zone jurisdiction or other organization acceptable to the Executive Director. Required mitigation shall be in the form of in-lieu fees as specified herein or may include completion of a specific project that is roughly equivalent in cost to the amount of the in-lieu fee and makes a substantial contribution to the availability of lower cost overnight visitor accommodations in Oceanside and/or the North San Diego County coastal area.

SUGGESTED MODIFICATION #6

SUGGESTED MODIFICATION #7

Add Article 4a (Redevelopment) section 450 Visitor Accommodations-Special Requirements, as follows:

5. Condominium Hotels. Such development is subject to the following conditions/restrictions:

- a) Any ~~overnight visitor accommodations~~ **hotel rooms** for which a certificate of occupancy has been issued prior to or on the effective date of adoption of this Section shall not be permitted to be converted to a ~~Limited Use Visitor Overnight Accommodation~~ **LUOVA**. Nothing in the preceding sentence shall prohibit, on and after the effective date of adoption of this Section, the conversion of hotel rooms in an approved ~~Limited Overnight Visitor Accommodation~~ **LUOVA** to timeshare, fractional or condominium-hotel units; provided that after any such conversion, the ratio of timeshare, fractional and condominium-hotel units does not exceed that required under the definition of "Limited Use Visitor Overnight Accommodations" in effect as of the date of approval of the project, with an approved amendment to the coastal development permit for the project.
- b) A maximum of 25% of the total number of guestrooms/units in the total project as a whole may be subdivided into condominiums and sold for individual ownership.
- c) The hotel owner/operator ~~of a Condominium-Hotel, or if the Condominium-Hotel is part of a LUOVA, the hotel owner/operator of the Condominium-Hotel~~, shall retain control through ownership, lease or easements of all structures ~~or other legal means, of all structural elements~~, recreational amenities, meeting space, restaurants, "back of house" and other non-guest unit facilities.

When the Condominium Hotel is located on land owned by the City, the hotel owner/operator shall be a leaseholder of the land upon which

- d) Each owner of a Condominium-Hotel unit shall have the right, in its sole discretion, to engage either the operator or a rental agent of his or her choice (other than the operator) to serve as the rental agent for their unit, but any engagement of a rental agent other than the operator shall be on a non-exclusive basis. The operator of the Condominium-Hotel exists. shall have the right and obligation to offer for public rental all time periods not reserved by a Condominium-Hotel unit owner for his or her personal use, or for the use of an owner's permitted user. Whether or not the hotel operator is selected as an owner's exclusive rental agent, the operator shall manage the booking and the reservation of all units in the Condominium-Hotel. As used in this Section 5, the term "to book" or "booking" shall mean the confirmation of a reservation request for use of a Condominium-Hotel unit by either the owner of the unit, the owner's permitted user or by a member of the public, and the entry of such confirmation in the operator's reservation data

base. All Condominium-Hotel unit owners, and their rental agents, must comply with the following restrictions:

d) The Condominium-Hotel facility shall have an on-site hotel operator to manage rental/booking of all guestrooms/units. Whenever any individually owned hotel unit is not occupied by its owner(s), that unit shall be available for hotel rental by the general public on the same basis as a traditional hotel room.

(i) Except for their personal use, or use by their permitted users, Condominium-Hotel owners shall not discourage rental of their units or create disincentives meant to discourage rental of their units;

e) The hotel

(ii) As more fully described in Section 5(p), below, Condominium-Hotel unit owners shall report and certify the rental rate and terms of any rental of the owner's unit made independently of the operator, and the operator shall book all unit reservations in the operator's reservation database, a service for which the operator may charge the Condominium-Hotel unit owner a reasonable fee;

(iii) Based on its own rentals and also those certified by those owners who have reported rentals made by them directly or by another rental agent they have selected, pursuant to Section 5(p) below, the operator shall maintain records of usage for all units and the rental terms of such usage, and shall be responsible for reporting Transient Occupancy Taxes for all units, services for which the operator may charge the Condominium-Hotel unit owner a reasonable fee.

e) **The Condominium-Hotel operator shall market and advertise all rooms all units in the Condominium-Hotel to the general public. Unit owners may also independently market and advertise their units but all booking of reservations shall be made by and through the hotel operator. Condominium-Hotel operator.**

f) The hotel operator shall manage all guestrooms/units

f) **The Condominium-Hotel operator, as both the operations manager and the non-exclusive rental agent for all Condominium-Hotel unit owners, shall manage all units as part of the hotel inventory of the LUOVA of which the Condominium-Hotel is a part, which management will include the booking of reservations, mandatory front desk check-in and check-out, maintenance, cleaning services and preparing units for**

use by ~~guests/owners~~ renters/owners, a service for which the hotel operator may charge the unit owner a reasonable fee.

- g) If the hotel Condominium-Hotel operator is not serving as the exclusive rental agent for an individually owned unit, then the hotel Condominium-Hotel operator shall nevertheless have the right, working through the individually owned units' owners or their designated agents, to book any unoccupied ~~room~~ unit to fulfill public demand, at a rate similar to comparable accommodations in the vicinity of the hotel. The owner or an owner's rental agent may not withhold units from use during periods in excess of the owner's maximum use right, as set forth in Section 5(i), below. In all circumstances, the hotel Condominium-Hotel operator shall have full access to the ~~condominiums'~~ unit's reservation and booking schedule so that the operator can fulfill its booking and management obligations hereunder.
- h) All ~~guestrooms/unit~~ Condominium-Hotel unit keys shall be electronic and created by the hotel Condominium-Hotel operator upon each new occupancy to control the use of the individually owned units.
- i) ~~Unit owners shall not discourage rental of their unit or create disincentives meant to discourage rental of their unit.~~
- j) ~~All individually owned hotel units shall be rented at a rate similar to that charged by the hotel operator for the traditional hotel rooms of a similar class or amenity level.~~
- k) ~~The hotel operator shall maintain records of usage by owners and renters and rates charged for all units, and shall be responsible for reporting Transient Occupancy Taxes based on records of use for all units, a service for which the hotel operator may charge the unit owner a reasonable fee.~~
- l) Each individually owned hotel Condominium-Hotel unit shall be used by its owner(s) (no matter how many owners there are) for not more than 90 days per calendar year with a maximum of 29 consecutive days of use during any 60 day period.
- m)
- i) The use period occupancy limitations identified in (l) Section 5(i) above, shall be unaffected by multiple owners of a Condominium-Hotel unit or the sale of a unit to a new owner during the calendar year, meaning that all such owners of any given unit shall be

collectively subject to the ~~use~~ occupancy restriction as if they were a single, continuous owner.

n)

k) No portion of the Condominium-Hotel may be converted to full-time occupancy condominium or any other type of ~~Limited Use Overnight Visitor Accommodations~~ LUOVA or other project that differs from the approved Condominium-Hotel, other than as provided for in Section 5(a), above.

o)

l) Prior to issuance of a ~~building permit and in conjunction with approval of a~~ coastal development permit for the ~~a~~ Condominium-Hotel, ~~the landowner(s) of the property(is) within the Downtown "D" District,~~ the landowner(s) of the property upon which the traditional units/rooms (i.e. transient hotel rooms) are developed shall execute and record a deed restriction(s), subject to the review and approval of the Economic and Community Development and Redevelopment Director ~~and the Executive Director of the Coastal Commission,~~ which prohibits the conversion of those traditional hotel units/rooms to any other type of ownership (e.g. ~~limited-use overnight visitor accommodations~~) a LUOVA, except as provided in Section 5(a), above) without an approved Coastal Development Permit. The deed restriction shall be submitted for review and approval of the Economic and Community Development ~~and Redevelopment~~ Director and the Executive Director of the Coastal Commission prior to action on the coastal development permit. The deed restriction shall run with the land, shall be executed and consented to by ~~the~~ any existing lessee(s) of the affected property(is) and shall be binding on the landowner(s) and lessee(s), and on all successors and assigns of the landowner(s) and lessee(s), including without limitation any future lien holders. This deed restriction(s) shall not be removed or changed without approval of an amendment to the underlying coastal development permit and approval of an amendment to the LCP by the Coastal Commission. However, minor changes that do not conflict with ~~subsections a) and~~ Sections 5(a) through (n) above may be processed as an amendment to the coastal development permit, unless it is determined by the Economic and Community Development ~~and Redevelopment~~ Director and the Executive Director of the Coastal Commission that such an amendment is not legally required.

p) The hotel owner/operator

m) The Condominium-Hotel owner shall be required to submit, prior to issuance of a coastal development permit, for the review and approval of the Economic **and Community** Development ~~and Redevelopment~~ Director and the Executive Director of the Coastal Commission, a Declaration of Restrictions or CC & **&R's** (Covenants, Conditions & Restrictions) either of which shall include:

1. All the specific restrictions listed in a **Sections 5(a)** through ~~n(n)~~ **(n)** above;
2. Acknowledgement that these same restrictions are independently imposed as condition requirements of the coastal development permit;
3. A statement that provisions of the CC & **R's &Rs** (Declaration of Restrictions) that reflect the requirements of a **Sections 5(a)** through ~~n(n)~~ **(n)** above, cannot be changed without approval of an LCP amendment by the Coastal Commission and subsequent coastal development permit amendment. However, minor changes that do not conflict with a) **Sections 5(a) through** (n) above may be processed as an amendment to the coastal development permit, unless it is determined by the Economic **and Community** Development ~~and Redevelopment~~ Director and the Executive Director of the Coastal Commission that an amendment is not legally required. If there is a section of the ~~CC&Rs/Declaration of Restrictions~~ **CC&Rs (Declaration of Restrictions)** related to amendments, and the statement provided pursuant to this paragraph is not in that section, then the section on amendments shall cross-reference this statement and clearly indicate that it controls over any contradictory statements in the section of the ~~Declaration/CC&R's~~ **CC&Rs (Declaration of Restrictions)** on amendments.

⇆

n) The CC & **R's or &Rs** (Declaration of Restrictions) described above shall be recorded against all individual property titles simultaneously with the recordation of the ~~condominium airspace map~~ **subdivision map for the Condominium Hotel.**

⇆

o) The provisions of the CC & **R's or &Rs** (Declaration of Restrictions) described above shall not be changed without

approval of an amendment to the LCP by the Coastal Commission. However minor changes that do not conflict with Sections 5(a) through p)(p) above, may be processed as an amendment to the coastal development permit, unless it is determined by the Economic and Community Development and Redevelopment Director and Executive Director of the Coastal Commission that an amendment is not legally required.

s) ~~The hotel owner/operator or any successor in interest shall maintain the legal ability to ensure compliance with the terms and conditions stated above at all times in perpetuity and shall be responsible in all respects for ensuring that all parties subject to these restrictions comply with the restrictions. Each owner of an individual guest room/condominium unit is jointly and severally liable with the hotel owner operator for any and all violations of the terms and conditions imposed by the special conditions of the coastal development permit with respect to the use of that owner's unit. Violations of the coastal development permit can result in penalties pursuant to Public Resources Code Section 30820.~~

⇒

p) All documents related to the marketing and sale of the condominium interests, including marketing materials, sales contracts, deeds, CC & &Rs and similar documents, shall notify buyers of the following:

1. Each owner of any individual hotel Condominium-Hotel unit is ~~jointly and severally liable with the hotel owner operator~~ for any violations of the terms and conditions of the coastal development permit with respect to the use of that owner's unit; and
2. The occupancy of the units by a Condominium-Hotel unit by its owner(s) is restricted to 90 days per calendar year with a maximum of 29 consecutive days of use during any 60 day period, and when not in use by the owner, the unit shall be made available for rental by the hotel operator to the general public pursuant to the terms of the coastal development permit and that the coastal development permit contains additional restrictions on use and occupancy; and

⇒ 3. Each owner of a Condominium-Hotel unit who does not retain the operator of the Condominium-Hotel as his or her rental agent shall be obligated by the governing documents of the of the Condominium-Hotel to

truthfully report to the operator (and to certify each such report) each effort, if any, he or she has made to rent his or her unit to a member of the public, and the terms and conditions of any such offer, and the terms and conditions of each rental offer which has been accepted by a member of the public.

q) The hotel owner/operator and any successor-in-interest hotel owner and operator, and each future individual unit owner shall obtain, prior to sale of individual units, a written acknowledgement from the buyer that occupancy by the owner is limited to 90 days per calendar year with a maximum of 29 consecutive days of use during any 60 day period, that the unit must be available for rental by the ~~hotel~~ Condominium-Hotel operator to the general public when not occupied by the owner, and that there are further restrictions on use and occupancy in the coastal development permit and the CC & R's or Declaration of Restrictions.

v)

r) The hotel owner/operator and any successor-in-interest hotel owner and operator shall monitor and record hotel occupancy and use by the general public and the owners of individual hotel units throughout each year. The monitoring and record keeping shall include specific accounting of owner usage for each individual ~~guestroom/unit~~ Condominium-Hotel unit. The records shall be sufficient to demonstrate compliance with the restrictions set forth in a Sections 5(a) through ~~n(n)~~ above. The ~~hotel owner-operator~~ owner/operator shall also maintain documentation of rates paid for hotel occupancy and of advertising and marketing efforts. All such records shall be maintained for ten years and shall be made available to the City Economic and Community Development Director and the Executive Director of the Coastal Commission upon request and to the any auditor required by ~~section w~~ Section 5(s) below. Within 30 days of commencing hotel operations, the ~~hotel owner-operator~~ owner/operator shall submit notice to the Economic and Community Development and Redevelopment Director and to the Executive Director of the California Coastal Commission notice of commencement of ~~hotel~~ Condominium-Hotel operations.

w)

s) Within 90 120 days of the end of the first calendar year of hotel operations, and within 90 120 days of the end of each succeeding calendar year, the ~~hotel owner-operator shall retain an independent~~ auditing company, approved by the Economic Development and

Redevelopment Director, to perform an audit to evaluate compliance with Condominium-Hotel operator shall submit a report regarding compliance with the special conditions of the coastal development permit which are required by this Section regarding occupancy restrictions, notice, recordkeeping, and monitoring of the Condominium-Hotel. ~~The audit to the~~ Economic and Community Development Director with a copy to the Executive Director. The report shall evaluate compliance by the hotel owner/operator Condominium-Hotel operator and owners of individual hotel Condominium-Hotel units during the prior one-year period. The hotel owner/operator shall instruct the auditor to prepare a report identifying the auditor's findings, conclusions and the evidence relied upon, and such report shall be submitted to the Economic Development and Redevelopment Director, for review and approval, and shall be available to the Executive Director of the Coastal Commission upon request, within six months after the conclusion of each one-year period of hotel operations. After the initial five calendar years, the one-year audit reporting period may be extended to two years upon written approval of the Economic and Community Development and Redevelopment Director. The Economic and Community Development and Redevelopment Director may grant such approval if each of the previous audits revealed compliance with all restrictions imposed above. The Economic and Community Development Director may, by written notice to the operator, require a third party audit regarding the subject matter of the reports required in this section for the prior three (3) or fewer calendar years if he or she reasonably believes that the foregoing submitted reports are materially inaccurate. The governing documents for the Condominium-Hotel shall require the operator and each owner of a condominium to fully cooperate with and to promptly produce any existing documents and records which the auditor may reasonably request. The expense of any such audit shall be payable by the owner's association for the Condominium-Hotel project.

- 1) If the Condominium-Hotel owner and the Condominium-Hotel operator are or ~~*)~~ If the hotel owner and the hotel operator at any point become separate entities, the hotel Condominium-Hotel owner and the hotel Condominium-Hotel operator shall be jointly and severally responsible for ensuring monitoring compliance with the requirements identified above, and for reporting material non-compliance to the Economic Community and Development Director. If the hotel owner and hotel operator are or become separate entities, they shall be jointly and severally liable for violations individually liable for their respective

failures to diligently monitor and to report non-compliance of the terms and conditions (restrictions) identified above.

y)

- u) A coastal development permit application for a Condominium-Hotel shall include a plan specifying how the requirements outlined in Article 4 Section 450 of the Zoning Ordinance will be implemented. The plan must include, at a minimum, the form of the sale, deed and ~~CC & Rs/Declaration of Restrictions~~ CC&Rs (Declaration of Restrictions) that will be used to satisfy the requirements and the form of the rental program agreement to be entered into between the individual unit owners and the hotel owner/operator. The plan must demonstrate that the applicant will establish mechanisms that provide the hotel operator and any successor-in-interest hotel operator adequate legal authority to implement the requirements of Article 4 Section 450 of the Zoning Ordinance above. An acceptable plan meeting these requirements shall be incorporated into the special conditions of approval of any coastal development permit for a Condominium-Hotel. Any proposed changes to the approved plan and subsequent documents pertaining to compliance with and enforcement of the terms and conditions required by Section Article 4 Section 450 of the Zoning Ordinance and this section including deeds and ~~CC&Rs/Declaration of Restrictions~~ CC&Rs (Declaration of Restrictions) shall not occur without an amendment to the coastal development permit, unless it is determined by the Economic Community and ~~Development and Redevelopment~~ Director that an amendment is not legally required.

SUGGESTED MODIFICATION #8

Add Article 4a (Redevelopment) section 450 Visitor Accommodations-Special Requirements, as follows:

6. Fractional Ownership Hotel. Such development The ownership of a Fractional Ownership Hotel is comprised of Fractional Interests. "Fractional Interest" means a Timeshare in a Fractional Ownership Hotel where the undivided interest in a condominium conveyed to an owner is greater than a 1/26th undivided interest, or, if the Fractional Ownership Hotel is not subdivided into condominiums, in which the undivided interest conveyed to an owner is greater than a 1/[26 x (the number of units in the Fractional Ownership Hotel)] undivided interest in the legal parcel comprising the Fractional Ownership Hotel. A Fractional Ownership Hotel is subject to the following conditions/restrictions:

- a) Any overnight visitor accommodations hotel rooms for which a certificate of occupancy has been issued prior to or on the effective

date of adoption of this Section shall not be permitted to be converted to a Limited Use Visitor Overnight Accommodation. Nothing in the preceding sentence shall prohibit, on and after the effective date of adoption of this Section, the conversion of units in a Timeshare project, Fractional Interest project or Condominium Hotel which together comprise an approved LUOVA to Timeshare, Fractional Interest or Condominium-Hotel units; provided that after any such conversion, the ratio of Timeshare, Fractional Interest and Condominium-Hotel units does not exceed that required under the definition of "Limited Use Visitor Overnight Accommodations" in effect as of the date of approval of the project.

b) A maximum of 15% of the total number of guestrooms/units in the project as a whole may be subdivided into condominiums and sold for individual ownership. in which Fractional Interests may be sold.

e) The hotel owner/operator

c) The hotel owner or operator of a Fractional Ownership Hotel, or, if the Fractional Ownership Hotel is part of a LUOVA, the hotel owner or operator of the Fractional Ownership Hotel, Timeshare project and/or the Condominium-Hotel, shall retain control and ownership of all structures structural elements, recreational amenities, meeting space, restaurants, "back of house" and other non-guest unit facilities.

When the

d) The Fractional Ownership development is located on land owned by the City, the hotel owner/operator shall be a leaseholder of the land upon which the Condominium Hotel exists.

d) The Condominium-Hotel facility shall have an on-site hotel operator to manage rental/booking of all guestrooms/units. Whenever any individually owned hotel unit is not occupied by its owner(s), that unit shall be available for hotel rental by the general public on the same basis as a traditional hotel room. guestrooms/units in the Fractional Ownership Hotel. The on-site hotel operator for the Fractional Ownership Hotel may be a different entity from the on-site hotel operator for the traditional hotel rooms in the LUOVA of which the Fractional Ownership Hotel is a part.

e) The hotel operator shall market and advertise all rooms to the general public. Unit owners may also independently market and advertise

their units but all booking of reservations shall be made by and through the hotel operator.

- e) Each Fractional Interest owner shall have the right, in its sole discretion, to engage a rental agent of his or her choice (other than the operator) to serve as the rental agent for their Fractional Interest, but any engagement of a rental agent other than the operator shall be on a non-exclusive basis commencing sixty (60) days in advance of a time period the owner has a right to reserve and use under the governing documents for the Fractional Ownership Hotel. The operator of the Fractional Ownership Hotel shall have the right and obligation to offer for public rental all time periods not reserved by a Fractional Interest owner for his or her personal use, for "Exchange Use" or for use by an owner's permitted user sixty (60) days in advance of any such occupancy period. As used in this Section 6, the term "Exchange Use" means the use of a unit in the Fractional Ownership Hotel pursuant to an Exchange Program. "Exchange User" means a person who is occupying a Fractional Ownership Hotel unit for Exchange Use. "Exchange Program" means the use of a unit in a Fractional Ownership Hotel by a member who is the owner of occupancy rights in a unit of a fractional project other than the Fractional Ownership Hotel, or in the Fractional Ownership Hotel during time periods other than the particular time period for which a unit in the Fractional Ownership Hotel has been reserved for exchange, pursuant to a program;

f) The hotel

(i) in which the owners of fractional interests in fractional interest projects other than the Fractional Ownership Hotel is operated and/or managed by the operator of the Fractional Interest Hotel or by another entity, or

(ii) which is operated by an entity that specializes in interval exchanges,

where such member has exchanged their occupancy rights for the use of a Fractional Ownership Hotel unit during the particular time period for which a unit in the Fractional Ownership Hotel has been reserved for exchange. On and within the sixty (60) day window, members of the public shall have reservation rights equal to those for owners, their permitted users and Exchange Users. The operator shall manage all guestrooms/units as part of the hotel inventory the booking of the reservation of all units in the Fractional

Ownership Hotel. As used in this Section 6, the term "to book" or "booking" shall mean the confirmation of a reservation request for use of a Fractional Ownership Hotel unit by either the owner of a Fractional Interest, his permitted user, an Exchange User or by a member of the public, and the entry of such confirmation in the operator's reservation data base. All Fractional Interest owners, and their rental agents, must comply with the following restrictions:

(A) except for their personal use, or use by an owner's permitted users or an Exchange User, Fractional Interest owners shall not discourage rental of their units or create disincentives meant to discourage rental of their units during their fractional time periods;

(B) Fractional Interest owners shall certify the rental rate and terms of any rental of the owner's occupancy periods made independently of the operator, and the hotel operator shall book all unit reservations in the operator's reservation database, a service for which the operator may charge the Fractional Interest owner a reasonable fee;

(C) The operator shall maintain records of usage for all units and the rental terms of such usage, and shall be responsible for reporting Transient Occupancy Taxes for all units, services for which the operator may charge the Fractional Interest owner a reasonable fee.

f) The operator shall market the rental of available units in the Fractional Ownership Hotel to the general public, and shall have a right to charge each Fractional Interest owner a reasonable fee for such marketing.

g) Subject to the requirements of the California Business and Professions Code pertaining to management agreements for Timeshare plans, including, without limitation, restrictions on the term of such management agreements, the operator shall manage all units in a Fractional Ownership Hotel, which management will include the booking of reservations, mandatory front desk check-in and check-out, maintenance, cleaning services and preparing units for use by guests/owners, a service for which the hotel operator may charge the unit owner a reasonable fee.

g) If the hotel operator is not serving as the rental agent for an individually owned unit, then the hotel operator shall nevertheless have the right, working through the individually owned units'

owners or their designated agents, to book any unoccupied room to fulfill demand, at a rate similar to

h) The operator, as the non-exclusive rental agent for the owner of a Fractional Interest entitled to an occupancy period, shall offer for rent to the public any unit which has not been reserved by its owner, his permitted user or and Exchange User commencing sixty (60) days in advance of such occupancy period, at a fair rental rate established by that for comparable accommodations in the hotel. The owner or an, as further described in Section 6(i), below.

i) No Fractional Interest owner nor such owner's rental agent may not withhold units from use. In all circumstances, the hotel operator shall have full access to the condominiums' reservation and booking schedule so that the operator can fulfill its booking and management obligations hereunder. withhold units which have not been reserved by the owner or such owner's permitted users or an Exchange User sixty (60) days or less prior to the commencement of an occupancy period from rental to the public. Nothing in the preceding sentence shall mean that an owner of a Fractional Interest, or such owner's permitted users or an Exchange User, may not elect to reserve a unit in a Fractional Ownership Hotel at any time after the commencement of such sixty (60) day period, provided that the operator or the owner's rental agent has not then rented the unit to a member of the general public.

h) All guestrooms/unit

i) All unit keys shall be electronic and created by the hotel operator upon each new occupancy to control the use of the individually owned **Fractional Ownership Hotel** units.

i) Unit owners shall not discourage rental of their unit or create disincentives meant to discourage rental of their unit.

j) All individually owned hotel units shall be rented at a rate similar to that charged by the hotel operator for the traditional hotel rooms of a similar class or amenity level.

k) The hotel operator shall maintain records of usage by owners and renters and rates charged for all units, and shall be responsible for reporting Transient Occupancy Taxes based on records of use for all units, a service for which the hotel operator may charge the unit owner a reasonable fee.

h) Each individually owned hotel unit **Fractional Interest** shall be used by its owner(s) (no matter how many owners there are) **to occupy a unit in a Fractional Ownership Hotel** for not more than 90 days per calendar year with a maximum of 29 consecutive days of use during any 60 day period.

m)

l) The use period limitations identified in (h) **Section 6(k)** above, shall be unaffected by multiple owners **of a Fractional Interest** or the sale of a unit **Fractional Interest** to a new owner during the calendar year, meaning that all such owners of any given unit **Fractional Interest** shall be collectively subject to the use restriction **in this Section 6** as if they were a single, continuous owner.

n)

m) No portion of the **a Fractional Ownership development Hotel** may be converted to **a full-time occupancy condominium or any other type of Limited Use Overnight Visitor Accommodations or other project that differs from the approved Fractional Ownership development; to any other type of a LUOVA other than as provided for in Section 6(a), above.**

o)

n) Prior to issuance of a building permit and in conjunction with approval of a coastal development permit for the Fractional Ownership development **Hotel**, the landowner(s) of the property(ies) within the Downtown "D" District upon which the traditional units/rooms (i.e. transient hotel rooms) are developed shall execute and record a deed restriction(s), subject to the review and approval of the Economic **and Community** Development and Redevelopment Director and **(and shall deliver a copy for review and comment to** the Executive Director of the Coastal Commission), which prohibits the conversion of those traditional hotel units/rooms to any other type of ownership (e.g. **limited use overnight visitor accommodations**) **a LUOVA, except as permitted in Section 6(a), above.** The deed restriction shall be submitted for review and approval of the Economic **and Community** Development and Redevelopment Director and **review by** the Executive Director of the Coastal Commission **not later than thirty (30) days** prior to action on the coastal development permit. The deed restriction shall run with the land, shall be executed and consented to by **the any** existing lessee(s) of the affected property(ies) and shall be binding on the landowner(s)

and lessee(s), and on all successors and assigns of the landowner(s) and lessee(s), including without limitation any future lienholders. This deed restriction(s) shall not be removed or changed without approval of an amendment to the underlying coastal development permit and approval of an amendment to the LCP by the Coastal Commission. However minor changes that do not conflict with ~~subsections a) and~~ Sections 6(a) through (n) above may be processed as an amendment to the coastal development permit, unless it is determined by the Economic and Community Development ~~and Redevelopment~~ Director ~~and the Executive Director of the Coastal Commission~~ that such an amendment is not legally required.

p)

o) The hotel owner/operator shall be required to submit, prior to issuance of a coastal development permit, for the review and approval of the Economic and Community Development ~~and Redevelopment~~ Director and review by the Executive Director of the Coastal Commission, ; a Declaration of Restrictions or CC & R's &Rs (Covenants, Conditions & Restrictions) either of which shall include:

1. All the specific restrictions listed in a Sections 6(a) through n(n) above;
2. Acknowledgement that these same restrictions are independently imposed as condition requirements of the coastal development permit;
3. A statement that provisions of the CC & Rs/Declaration of Restrictions Rs (Declaration of Restrictions) that reflect the requirements of a Sections 6(a) through n(n) above cannot be changed without approval of an LCP amendment by the Coastal Commission and subsequent coastal development permit amendment. However, minor changes that do not conflict with a) Sections 6(a) through (n) above may be processed as an amendment to the coastal development permit, unless it is determined by the Economic and Community Development ~~and Redevelopment~~ Director ~~Director and the Executive Director of the Coastal Commission~~ that an amendment is not legally required. If there is a section of the ~~CC&Rs/Declaration of Restrictions~~ CC&Rs (Declaration of Restrictions) related to amendments, and the statement provided pursuant to this paragraph is not in that section, then the section on amendments shall cross-reference this

statement and clearly indicate that it controls over any contradictory statements in the section of the Declaration/CC&R's CC&Rs (Declaration of Restrictions) on amendments.

q)

p) The CC & R's or &Rs (Declaration of Restrictions) described above shall be recorded against all individual property titles simultaneously with the recordation of the ~~condominium airspace map~~ subdivision map for the Fractional Ownership Hotel.

r)

q) The provisions of the CC & R's or &Rs (Declaration of Restrictions) described above shall not be changed without approval of an amendment to the LCP by the Coastal Commission. However, minor changes that do not conflict with Sections 6(a) through p)(n) above may be processed as an amendment to the coastal development permit, unless it is determined by the Economic and Community Development and Redevelopment Director ~~and the Executive Director of the Coastal Commission~~ that an amendment is not legally required.

s) ~~The hotel owner/operator or any successor in interest shall maintain the legal ability to ensure compliance with the terms and conditions stated above at all times in perpetuity and shall be responsible in all respects for ensuring that all parties subject to these restrictions comply with the restrictions. Each owner of an individual guest room/condominium unit is jointly and severally liable with the hotel owner operator for any and all violations of the terms and conditions imposed by the special conditions of the coastal development permit with respect to the use of that owner's unit. Violations of the coastal development permit can result in penalties pursuant to Public Resources Code Section 30820.~~

t)

r) All documents related to the marketing and sale of the ~~condominium interests~~ Fractional Interests, including marketing materials, sales contracts, deeds, CC & &Rs and similar documents, shall notify buyers of the following:

1. Each owner of any individual ~~hotel unit~~ is jointly and severally Fractional Interest is individually liable with ~~the hotel owner operator~~ for any violations of the terms and conditions of the coastal development permit with respect to the use of that owner's ~~unit~~; and Fractional Interest;

2. The occupancy by the owner of a Fractional Interest of the units by owner(s) is restricted to 90 days per calendar year with a maximum of 29 consecutive days of use during any 60 day period, and when not reserved or in use by the owner, the ~~unit~~ owner's permitted user or an Exchange User, the owner's time shall be made available for rental by the ~~hotel~~ operator and by the owner's own rental agent to the general public sixty (60) days in advance of an occupancy period pursuant to the terms of the coastal development permit and that the coastal development permit contains additional restrictions on use and occupancy: and

u) ~~The hotel owner/operator~~ 3. Each owner of a Fractional Interest who does not retain the operator as his or her exclusive rental agent is obligated by the governing documents of the of the Fractional Ownership Hotel to truthfully report to the operator (and to certify each such report) each effort, if any, he or she has made to rent his or her unit to a member of the public, and the terms and conditions of any such offer, and the terms and conditions of each rental offer which has been accepted by a member of the public.

s) The initial owner of the Fractional Interests and any successor-in-interest ~~hotel owner and operator~~ owner of a Fractional Interest, and each future individual unit owner shall obtain, prior to sale of individual units a Fractional Interest, a written acknowledgement from the buyer that Fractional Interest that occupancy of a unit by the owner is limited to 90 days per calendar year with a maximum of 29 consecutive days of use during any 60 day period, that the unit must be available for rental by the ~~hotel~~ operator and/or the buyer's rental agent to the general public ~~when not occupied by the owner~~ sixty (60) days or later in advance of an occupancy period, and that there are further restrictions on use and occupancy in the coastal development permit and the ~~CC & R's or~~ Declaration of Restrictions (CC&Rs).

t) The operator ~~u) The hotel owner/operator~~ and any successor-in-interest ~~hotel owner and~~ to the operator shall monitor and record ~~hotel~~ the occupancy and use of the Fractional Ownership Hotel by the general public and the owners of individual ~~hotel~~ units Fractional Interests throughout each year. The monitoring and record keeping shall include specific accounting of all owner usage ~~for~~ of each individual ~~guestroom/unit~~ unit in the Fractional Ownership Hotel. The records shall be sufficient to demonstrate

compliance with the restrictions set forth in a Sections 6(a) through n(n) above. The hotel owner-operator shall also maintain documentation (from certified reports submitted to the operator by the Fractional Interest owners) of rates paid for hotel occupancy and of advertising and marketing efforts marketing efforts by the operator, and from the certified reports submitted to the operator by the Fractional Interest owners, by the rental agents of owners other than the operator. All such records shall be maintained for ten years and shall be made available to the City and the Executive Economic and Community Development Director of the Coastal Commission upon request and to the any auditor required by section w Section 6(u) below. Within 30 days of commencing hotel operations, the hotel owner-operator of the Fractional Ownership Hotel shall submit notice to the Economic and Community Development and Redevelopment Director and to the Executive Director of the California Coastal Commission of commencement of hotel operations.

w)

u) Within ~~90~~ 120 days of the end of the first calendar year of hotel operations, and within ~~90~~ 120 days of the end of each succeeding calendar year, the hotel owner-operator shall ~~retain an independent auditing company, approved by~~ submit a report to the Economic and Community Development and Redevelopment Director, ~~to perform an audit to evaluate~~ regarding compliance with the special conditions of the coastal development permit which are required by this Section regarding occupancy restrictions, notice, recordkeeping, and monitoring of the ~~Condominium-Fractional Ownership~~ Fractional Ownership Hotel. The audit report shall evaluate compliance by the hotel owner/operator operator and owners of individual hotel units Fractional Interests during the prior one-year period. The hotel owner/operator shall instruct the auditor to prepare a report identifying the auditor's findings, conclusions and the evidence relied upon, and such report shall be submitted to the Economic Development and Redevelopment Director, for review and approval, and shall be available to the Executive Director of the Coastal Commission upon request, within six months after the conclusion of each one year period of hotel operations. After the initial five calendar years, the one-year audit reporting period may be extended to two years upon written approval of the Economic and Community Development and Redevelopment Director. The Economic and Community Development and Redevelopment Director may grant such approval if each of the previous audits reports revealed compliance with all restrictions imposed above. The Economic and Community Development Director may, by

written notice to the operator, require a third party audit regarding the subject matter of the reports required in this section for the prior three (3) or fewer calendar years if he or she reasonably believes that the foregoing submitted reports are materially inaccurate. The governing documents for the Fractional Ownership Hotel shall require the operator and each owner of a Fractional Interest to fully cooperate with and to promptly produce any existing documents and records which the auditor may reasonably request. The expense of any such audit shall be payable by the owner's association for the Fractional Ownership Hotel. x) If the hotel owner and the hotel operator at any point become separate entities, the hotel owner and the hotel operator shall be jointly and severally responsible for ensuring compliance with the requirements identified above. If the hotel owner and hotel operator become separate entities, they shall be jointly and severally liable for violations of the terms and conditions (restrictions) identified above.

y) A v) Prior to the issuance of a coastal development permit application for a Fractional Ownership Hotel, an applicant shall include submit a plan for approval specifying how the requirements outlined in Article 4 Section 450 of the Zoning Ordinance will be implemented. The plan must include, at a minimum, the form of the sale, deed and CC&Rs/Declaration of Restrictions CC&Rs (Declaration of Restrictions) that will be used to satisfy the requirements and the form of the rental program agreement to be entered into between the individual unit Fractional Interest owners and the hotel owner/operator operator. The plan must demonstrate that the applicant will establish mechanisms that provide the hotel operator and any successor-in-interest hotel operator adequate legal authority to implement the requirements of Article 4 Section 450 of the Zoning Ordinance above. An acceptable plan meeting these requirements shall be incorporated into the special conditions of approval of any coastal development permit for a Fractional Ownership development Hotel. Any proposed changes to the approved plan and subsequent documents pertaining to compliance with and enforcement of the terms and conditions required by Article 4 Section 450 of the Zoning Ordinance and this section including deeds and CC&Rs/Declaration of Restrictions shall not occur without an amendment to the coastal development permit, unless it is determined by the Economic and Community Development and Redevelopment Director that an amendment is not legally required.

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STATE OF CALIFORNIA
COASTAL COMMISSION

CERTIFIED COPY

CITY OF OCEANSIDE)
LOCAL COASTAL PROGRAM)
COUNTY OF SAN DIEGO)

Amendment No. 01-07
(Downtown "D" District)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Wednesday December 12, 2007
Agenda Item No. 19. a.

San Francisco City Hall
Legislative Chamber Rm. 250
One Drive Carlton Goodlett Place
San Francisco, California

EXHIBIT #15
Transcript from December 12,
2007 Hearing
LCPA #1-07 City of Oceanside
Downtown "D" District
California Coastal Commission

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STATE OF CALIFORNIA)
) SS.
COUNTY OF MADERA)
)

I, PRISCILLA PIKE, Hearing Reporter for the State of California, do hereby certify that the foregoing 117 pages represents a full, true, and correct transcript of the proceedings as reported by me before the California Coastal Commission on December 12, 2007.

Dated: January 5, 2008

PRISCILLA PIKE

PRISCILLA PIKE

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1 California Coastal Commission
2 December 12, 2007
3 City of Oceanside LCP Amendment No. 01-07
4 (Downtown "D" District)

5 * * * * *

6 3:15 p.m.

7 **CHAIR KRUER:** Okay, it is time to open up the
8 hearing again, and we will go to 19.a. on the LCPS, City of
9 Oceanside LCP Amendment -10-07.

10 **DISTRICT DIRECTOR SARB:** Thank you.

11 Could I have the Power Point on this item, please.
12 First, I would like to draw the Commission's attention to the
13 green addendum. There are revisions to the staff report, and
14 an additional exhibit, some ex parte communications, the
15 applicant's response to the staff recommendation, and a
16 separate booklet that has been provided by the city showing
17 the hotel-motel inventory. There are a number of letters of
18 comment in the addendum that, generally, support the project
19 without the mitigation fee being recommended by staff.

20 There was also a separate handout today from
21 Citizens for Preservation of Parks and Beaches. We didn't
22 receive this letter, and about 6 other letters that were in
23 support of the mitigation fee and protection of lower and
24 middle cost accommodations until yesterday, and were not able
25 to copy them and distribute them to the Commission, but they

1 have been made part of the record, as well as the office has
2 received some additional letters in support of the city's
3 position.

4 This is a request by the City of Oceanside to
5 amend the Implementation Plan of its certified LCP to allow
6 for both condo hotels and fractional ownership development in
7 Sub-Districts 1 and 12 of the redevelopment area.

8 And, I would like to just use this first slide 1
9 for an orientation of the location to where these policies
10 and ordinances would apply. The redevelopment area is right
11 at the pier. It is inland of the amphitheater and the beach.
12 It is the prime visitor-serving designation for the City of
13 Oceanside's shoreline.

14 The changes also include a new Article 4.a. titled
15 Redevelopment Project Area use classification, and it applies
16 to the entire downtown district, which is also the redevelo-
17 pment area. And, Article 4.a. revises and defines uses
18 permitted, including visitor-serving uses, and removes some
19 of those uses that are no longer used, and adds some new
20 ones.

21 And, Slide 2 shows the redevelopment area and its
22 orientation to the pier and the shoreline.

23 Article 4.a. includes Section T that is title
24 Visitor Accommodations and Special Requirements associated
25 with visitor accommodations, and includes new definitions for

1 timeshares, fractional ownership hotels, condominium hotels,
2 resort and integrated resort.

3 The special requirements address the relationship
4 between the hotel owner and the operator, that both are
5 jointly responsible for insuring compliance with the LCP.
6 They prohibit conversion of existing hotels to limited use
7 overnight accommodations. They require CC&Rs to reflect the
8 use restrictions, and provide limitations on occupation of
9 the unit by the owner to no more than 90-days per calendar
10 year, with a maximum of 29 days of use during a 60-day
11 period.

12 This Slide 3 shows the shore front property that
13 consists of 2 blocks on the inland side of Pacific Street,
14 and on the bluff top inland of the beach and pier, and
15 specifically, the LCP Amendment is a project-driven LCP that
16 through the permitted uses in the matrix would allow condo-
17 hotels and fractional interest hotels in the Sub-Districts 1
18 and 12. And, Sub-Districts 1 and 12 are the area encompassed
19 in red -- no, I am sorry. This is the Sub-District 12, and
20 then the 2-block area inland of Sub-District 12 is
21 Sub-District 1, and the project that is driving this LCP
22 Amendment would be located in the area shown in green.

23 The staff is recommending denial as submitted, and
24 approval with a number of suggested modifications that add
25 more specificity and detail to the code language that will be

1 the standard for operation and management of the condo-
2 hotels, fractional units, and timeshares in the city's
3 redevelopment area.

4 The measures and controls, including the deed
5 restrictions and the CC&Rs are very similar to those that
6 were applied by the Commission in its review and approval of
7 the City of Huntington Beach's LCP Amendment allowing condo-
8 hotels and fractional units at the Pacific City and
9 Waterfront sites, located inland of the beach in Huntington
10 Beach. They are also very similar to the restrictions
11 applied on several permit actions allowing condo-hotels in
12 Encinitas and Coronado.

13 The staff recommendation would not change the
14 city's definition of integrated resort, we just renamed it to
15 limited use overnight visitor accommodations, which the city
16 accepts. And, that different definition is a resort that
17 includes both traditional hotel lodging, and some combination
18 of timeshares, fractional timeshares, condominium hotel
19 units, up to 25 percent may be timeshares, fractional
20 timeshares, condominium hotels; however, no more than 15
21 percent may be fractional timeshare units.

22 And, again, this proposal would add these kinds of
23 uses as newly permitted uses within the commercial visitor
24 area, and specifically Sub-Districts 1 and 12.

25 In this case, the city has included information

1 regarding the existing hotel inventory and not only are there
2 a large number of hotels and motels in the city, but the
3 range of affordability is very good. There are 12
4 facilities that include 555 rooms in the near shore area,
5 with room rates that are less than \$100.00. There are two RV
6 parks with rates from \$49.00 to \$75.00 and 173 asphalt
7 camping spaces with rates at \$10.00 to \$15.00.

8 So, because of this inventory, staff is recommend-
9 ing approval with support of this component of the proposal
10 that would allow condo-hotels in this area.

11 The concern about condo-hotels and fractional
12 units in areas designated for visitor-serving use, as you are
13 well aware, relate to the limited amount of area that is
14 designated for these types of uses in most communities, and
15 also the fact that *Section 30213 of the Coastal Act*
16 encourages and protects lower-cost visitor-serving uses as a
17 priority. What the Commission is seeing is only proposals
18 for high-end resort facilities. The economics and construct-
19 ion costs do not support construction of lower, or even
20 mid-range, visitor-serving overnight accommodations.

21 Added to the concern regarding affordability is
22 what we see as a privatisation of these overnight visitor
23 accommodations through the condominium and fractional types
24 of ownership which limits to various extents the availability
25 of the units to the general public.

1 In this particular case, there are several aspects
2 of the city's proposal, and of the Oceanside community, that
3 again allows staff to recommend the Commission support the
4 proposed condo-hotels and fractional ownerships in Districts
5 1 and 12.

6 The project that is driving this LCP Amendment
7 contemplates 336 hotel units and 48 fractional interest units
8 in the shore front property. We feel that, however, the
9 primary ability to support it is due to the range of
10 affordability of existing hotels and motels in the redevelop-
11 ment area, which is the subject of this LCP Amendment.

12 However, if you use this rationale to support the
13 condo-hotels then protection of the existing stock of lower
14 and moderate-costs overnight visitor accommodations, and
15 provision of new lower cost facilities in new development
16 becomes even more important.

17 The city's proposal includes a section in the
18 zoning ordinance which applies to the entire redevelopment
19 area, and it indicates any hotel rooms for which a
20 certification of occupancy has been issued, they shall not be
21 converted to limited use overnight visitor accommodations,
22 and this is a good provision.

23 To further protect the existing stack of hotel-
24 motel units, and their range of affordability, staff is
25 recommending Suggested Modification No. 5, as an additional

1 policy applicable to visitor accommodations in the redevelop-
2 ment area. In addition to the city's proposal to limit
3 conversions, staff recommends modifications that would
4 require any proposed demolition of existing overnight
5 accommodations first be required to demonstrate rehabilita-
6 tion is not feasible.

7 If demolition is authorized an in lieu fee for
8 lower-cost visitor accommodations must be provided as
9 mitigation for at least 50 percent of the new overnight
10 visitor accommodations.

11 And, finally, staff is recommending a new policy
12 language to address new development of overnight visitor
13 accommodations which are not lower cost. The ordinance would
14 require payment of a fee in lieu of providing lower-cost
15 visitor overnight accommodations which are of high priority
16 use under the *Coastal Act*, and specifically in areas
17 designated for visitor-serving uses, such as Districts 1 and
18 12.

19 The fee would be required as a condition of the
20 permit to provide significant funding to establish lower-cost
21 visitor accommodations within the coastal area of north San
22 Diego County, such as new hostel beds, tent camp sites,
23 cabins or campground units. The amount proposed is
24 \$30,000.00 per room for 25 percent of the total number of
25 high cost units. This fee was established from figures

1 provided by Hostel International as an estimate of a cost per
2 bed for a sustainable hostel, not including the cost of the
3 land. This is the same fee recently applied by the
4 Commission to the Surface Point timeshare resort in
5 Encinitas. There is further support in the city's Land Use
6 plan for this suggested revision.

7 There is a policy in the Land Use Plan that
8 protects 275 lower cost hotel and motel units, and 220
9 recreational and visitor camp sites within the coastal zone,
10 and that 20 percent of these shall be maintained at shore
11 front locations, and this policy is shown in Slide 4.

12 There was a previous analysis that showed that
13 there were 118 units in shore front locations, including 52
14 at the Oceanside Marina Inn, 42 at Marina del Mar. and 24 at
15 Robert Kaiser's, and these facilities are still operating,
16 but two of them are no longer offering lower cost rates, and
17 Robert Kaiser's now has minimum week-long stays only.

18 So, staff has concluded that there is no lower-
19 cost accommodations currently existing in the shore front
20 locations, and that is inconsistent with that Land Use Plan
21 policy, so we believe the city could require that lower-cost
22 units actually be provided in this project area located in
23 Sub-Districts 12 and 1. Instead, staff is suggesting that a
24 policy that would allow the higher cost development move
25 forward as planned, but require payment of the previously

1 described fee in lieu of the actual provisions of these
2 units. We believe there is clear support in the Land Use
3 Plan for this requirement.

4 And, I would just like to conclude by recognizing
5 that there were some changes made by staff in the addendum.
6 There is an additional Suggested Modification to address
7 development in the flood plain, and buffers from wetland
8 habitat. The city had requested the existing language in the
9 Zoning Ordinance be removed, and because the downtown
10 district and the redevelopment area includes the San Luis Rey
11 River valley, its floodplain and parcels adjacent to this
12 area, we feel it is appropriate for the city's LCP to contain
13 these policies and ordinances that address potential develop-
14 ment, and redevelopment in this area.

15 Staff is recommending the existing language not be
16 deleted, and that is what is included in the addendum, and I
17 believe the city agrees with this change.

18 And, in Suggested Modification No. 4 we have
19 addressed the requirements for -- this addresses the
20 requirements for CC&Rs with the limited use visitor accommod-
21 ations, and the city has requested a couple of changes. We
22 agree with the city on the one point, and have struck
23 reference to the transient overnight accommodations in the
24 summer season, but we have not struck reference to how the
25 required in lieu fees will be managed, as we feel these

1 provisions should be included in the CC&Rs.

2 And, in Special Suggested Modifications Nos. 7 and
3 8 there were a couple of minor changes that we made to
4 provide for the Executive Director to be a part of the review
5 and approval to the CC&Rs and any changes thereto, and this
6 is associated with both condominium hotels and fractional
7 units, and the most substantive change, we have deleted the
8 requirement that an additional transfer fee be applied upon
9 resale of the units.

10 I believe that concludes my comments at this time.

11 **CHAIR KRUER:** Thank you, very much, and with that
12 I will go to ex partes starting on my right.

13 Commissioner Reilly, do you have any?

14 **COMMISSIONER REILLY:** Thank you, Mr. Chair.

15 During the lunch hour I had discussion with Andi
16 Culbertson and Donna Andrews representing the hotel builder
17 in the city on this, and their primary concern was the
18 \$30,000.00 fee, and the nexus for that, and pointed out that
19 the conditions in Oceanside relative to the availability of
20 low-cost accommodations were very different from the
21 situation in Encinitas that we dealt with last month.

22 And, I also had an ex parte from Rob Cousins, from
23 Orca, by email, and he indicated support for the staff's
24 position.

25 **CHAIR KRUER:** Okay.

1 Commissioner Lowenthal.

2 **COMMISSIONER LOWENTHAL:** Thank you, Mr. Chairman,
3 I also attended the luncheon that the Commissioner just
4 mentioned, and it was Donna Andrews as well as Andi
5 Culbertson, and I received the same ex parte communication.

6 I also received an ex parte communication
7 yesterday from Mr. Mark Massara of the Sierra Club, and he
8 indicated his concerns about the fractional use, and gave me
9 a briefing on the \$30,000.00 in lieu fee per unit.

10 And, that is my ex parte, thank you.

11 **CHAIR KRUE:** Thank you, Commissioner Lowenthal.
12 Commissioner Blank.

13 **COMMISSIONER BLANK:** I had an ex parte from Andi
14 Culbertson, which is on file. I had a call from the San
15 Mateo County Orca group, Tony Roberts, Karen Rosenstein, Mike
16 Carera, on 12-7 at 5:00 p.m. In summary, they supported the
17 staff recommendation. I had a call with Mark Massara last
18 night, 12:11:07 at 4:15 on a variety of issues, including
19 Oceanside. In summary, Mark supported the staff recommend-
20 ations, and had even more suggestions about other things that
21 the Commission and staff should be doing.

22 **CHAIR KRUE:** Thank you, Commissioner Blank.
23 Commissioner Hueso.

24 **COMMISSIONER HUESO:** Yes, my staff person, Alonzo
25 Gonzalez, spoke with Donna Andrews and she expressed the

1 city's concerns with the staff's modifications, and explained
2 succinctly about -- (AV noise interference). I also met with
3 David Grubb, Gabriel Solmar, Marco Gonzalez, regarding this
4 issue, yesterday, and they expressed their concern that this
5 project would use up summertime hours, and they asked for
6 support in keeping those units available to the general
7 public during the summer.

8 I also had lunch today with the same people
9 mentioned by Suja, and Mike Reilly, and we heard the same
10 issues.

11 **CHAIR KRUER:** Commissioner Wan? no.

12 I had an ex parte on the 7th in La Jolla,
13 California, with Jane McVey, City of Oceanside, Jamie Cohen,
14 hotel developer, and Donna Andrews. The content of that was
15 the City of Oceanside's representative, Ms. McVey, reminded
16 me of the Coastal Commission's directions to the City of
17 Oceanside back in 2002 of what the city needed to do to get a
18 hotel project approved.

19 Ms. McVey shared with me all of the city's
20 actions, which far exceeded the Commission's request. She
21 also further explained to me that the in lieu fees were not
22 necessary because of all of the lower-cost overnight
23 accommodations that the city had currently. She also
24 emphasized that over 90.6 percent of the motel rooms in the
25 coastal zone of Oceanside qualify for low-cost, using the

1 average daily rate of \$100.00 or less. She also noted the
2 LCP, as certified, already dictates what proportion of lower-
3 cost accommodations must remain in the shore front area of
4 Oceanside, and therefore has already determined what the
5 proper level of accommodations are. The city is not
6 proposing to change this.

7 She also made the point that the site of the
8 proposed hotel is one already targeted for timeshares, and
9 therefore there are no new impacts from introducing a partial
10 fractional condo hotel up to 25 percent of the total
11 accommodations.

12 Then, I also had an ex parte on Monday morning in
13 La Jolla with Gabriel Somer, David Grubb, and with that
14 particular communications they were suggesting to support the
15 staff recommendations with conditions, and they were
16 concerned about the same issues as Commissioner Hueso
17 reported.

18 That is the extent of my ex parte.

19 **VICE CHAIR NEELY:** Mr. Chairman, my ex partes are
20 on file.

21 **CHAIR KRUER:** Commissioner Potter.

22 **COMMISSIONER POTTER:** Mr. Chairman, I had a brief
23 phone conversation with Andi Culbertson yesterday on my way
24 up to San Francisco, identical to that described by
25 Commissioner Reilly.

1 **CHAIR KRUER:** Thank you.

2 Commissioner Burke?

3 **COMMISSIONER BURKE:** I had the lunch meeting with
4 Art Flores today, who supported the staff's position, and was
5 particularly supportive of the in lieu fee.

6 **CHAIR KRUER:** Thank you, Commissioner Burke.
7 Commissioner Kram.

8 **COMMISSIONER KRAM:** I had a brief meeting this
9 morning. I am wholly outside with Andi Culbertson and Donna
10 Andrews. We discussed the Coastal Commission's directives to
11 the City of Oceanside back in 2002, of what the city needed
12 to do to get a hotel project approved. We also discussed how
13 the city has taken actions which are far less than what the
14 Commission requested at the time.

15 We talked about the in lieu fees that were not
16 necessary because of all of the low-cost overnight accommod-
17 ations that currently exist, emphasized that about 90 percent
18 of the hotel rooms in the coastal zone qualify as low-cost,
19 with an average daily rate of \$100.00 or less, and they
20 stated that the LCP, as certified, already dictates what
21 proportion of the lower cost accommodations must remain in
22 the shore front area of Oceanside.

23 We discussed the site of the proposed hotel as
24 already one targeted for timeshares, and there are no new
25 impacts from introducing a partially fractional condo-hotel

1 up to 25 percent, and they reminded me that the Coastal
2 Commission has approved projects which have up to 49 percent
3 condo or timeshare components. That is pretty much it.

4 **CHAIR KRUER:** Commissioner Achadjian.

5 **COMMISSIONER ACHADJIAN:** Thank you, Mr. Chair, my
6 ex partes are on file.

7 **CHAIR KRUER:** Thank you, very much.

8 And, with that we will open the public hearing,
9 and first I'll call up from the City of Oceanside Ms. Jane
10 McVey. Ms. McVey, how much time are you requesting for
11 yourself?

12 **MS. MC VEY:** Mr. Chairman, we would request 30
13 minutes, total, 15 minutes for my presentation, and 15
14 minutes for rebuttal, please.

15 **CHAIR KRUER:** Can you do the rebuttal in less than
16 15 minutes?

17 **MS. MC VEY:** We will certainly try.

18 **CHAIR KRUER:** Because you have several speaker
19 slips in here for the city, and you might want to get -- you
20 have several council people in that, and maybe 20 and 10,
21 would that give you enough?

22 **MS. MC VEY:** That would be satisfactory.

23 **CHAIR KRUER:** Is that fine with you?

24 **MS. MC VEY:** Thank you.

25 **CHAIR KRUER:** Okay, thank you, we will do that,

1 then.

2 MS. MC VEY: If I may begin, and if we could pull
3 up the Power Point, please.

4 Good afternoon, Honorable Mayor, members of the
5 Commission. My name is Jane McVey, and I am the Economic
6 Development and Redevelopment Director for the City of
7 Oceanside, and just in case you are not clear about where,
8 exactly, Oceanside is, we are the northern most city in San
9 Diego County, and just next to Camp Pendleton Marine Base.

10 And, with me here today is our Mayor Jim Wood, the
11 entire City Council of Oceanside is here today, as well as
12 the City Manager, and some of the City Council may be
13 speaking during the public comment period after our
14 presentation. We also have Cathy Baker, our Redevelopment
15 Manager, Bruce Balton of BKF Consulting, who can answer any
16 questions on that report, Jake Scotland, one of our hotel
17 consultants, Jeremy Cohen with S.D. Malkin, who is our hotel
18 developer, and we also have Scott Turner of Scott's Castle,
19 who is the developer's counsel, and during Q & A they will be
20 able to answer any questions that you may have in their areas
21 of expertise.

22 Now, LCPA 1-07 was passed unanimously by the City
23 Council on April 18 of this year. Let me summarize the two
24 goals of this LCPA for you. Number 1 is the prenupt of the
25 zoning matrix of our redevelopment area, which is in the core

1 downtown. Additionally, we have definitions and controls on
2 the use of fractional timeshares, and condo-hotels.

3 And, while we go through this presentation, I want
4 you to keep three main points in mind: one is that 90.6
5 percent of all of the coastal accommodations in Oceanside are
6 considered affordable, and that is number 1. Number 2 is
7 that we do meet the 20 percent requirement of the shore front
8 of keeping those rooms affordable. And, Number 3 is that
9 Oceanside does not deserve the imposition of the \$30,000.00
10 door fee.

11 This is a map of the redevelopment area of the
12 downtown. Now, the existing LCP not only allows hotel rooms,
13 it actually requires it. In 1979, the Coastal Commission,
14 you, directed and paid for a study done by Natleson, that
15 evaluated the opportunity to have commercial and hotels, and
16 it was part of moving some of that off of the strand area,
17 and to this 9-block area.

18 When they did that analysis, and what was created
19 in 1992 was what we called the 9-block master plan, and this
20 is the 9-block master plan area. It was approved in 1992,
21 and this plan specifies that we have to have a minimum 240
22 tourist destiny -- a high quality tourist destination hotel
23 in the beach area with a minimum 240 hotel rooms, and 81,800-
24 square feet of visitor-serving commercial.

25 Now, there is also this policy that you have heard

1 mentioned, that the city protect a minimum 375 lower-cost
2 accommodations, and 20 percent of those, or 75 rooms, must be
3 shore front. Now, the Coastal staff, in their 2002 report,
4 when we were here last, defined near shore areas to be up to
5 Coast Highway. The city actually has 482 affordable rooms in
6 the coastal area that is near shore, which is 407 more than
7 the 75 required; therefore, we believe we are in compliance
8 with the minimum number of units to be protected. We are
9 consistent with the LCP, and we are consistent with the
10 certified LUP.

11 Now, this is one of the major arguments that is
12 presented in the staff report on page 25, and again, we
13 disagree. We believe that we are in complete requirement.

14 We are now working on a new project, the S.D.
15 Malcolm Beach Resort. This project proposes 336 hotel rooms,
16 additional hotel rooms, plus a small modicum of only 48
17 fractional timeshare units for a total 384 units. Given size
18 of this project, one of our principal goals was to assure
19 that for the 25 percent high season requirement that is in
20 the requirements for timeshares, that the hotel units be
21 allowed to suffice, and to be the hotel rooms for that
22 requirement.

23 Now, the LCPA also proposes to limit that use of
24 the fractional timeshares. It is supposed to be only in this
25 9-block area, in our 9-block master plan area. To able to

1 qualify, you have to have, first, a minimum of 200 rooms, and
2 of course, this proposed hotel does. The use is limited to
3 no more than 29 consecutive days in a 60-day period, and no
4 more than 90 days annually.

5 No more than 25 percent of the total units would
6 be in a combination of fractional condos, and no more than 15
7 percent would actually be fractional rooms, so we believe it
8 is a very small and modest amount that we are requesting.

9 In response to Mr. Douglas' request in his letter,
10 we did hire PKF who inventoried all of the rooms. They used
11 an average daily rate, or an ADR, and they used the Coastal
12 Commission's policy of \$100.00 of an index of affordability
13 to measure the affordability in Oceanside.

14 And, while we would argue that \$100.00 in Southern
15 California is artificially low, here are the results from
16 that study. We have 555 rooms inside the coastal zone, of
17 which 503 are affordable, which is 90.6 percent afford-
18 ability. We have 740 outside of the coastal zone that are
19 all affordable. Now, since the time that this study was
20 done, a 125-room Marriott residency has been completed, but
21 of the 1295 rooms citywide, 96 percent of them are afford-
22 able.

23 We have added two new hotels over the last 10
24 years. This is the La Quinta, and it has 38 rooms. This is
25 a Motel 6, and it has 106 rooms. And, we right now have a

1 Holiday Inn Express that is under construction.

2 So, the PKF conclusion was that there is an
3 adequate supply of lower-cost visitor-serving rooms, and
4 there is actually a greater demand for motel and hotel rooms
5 with a higher ADR. The occupancy rate for affordable coastal
6 accommodations in 2006 was 48.5 percent, which indicates a
7 very low demand. The only hotel in the entire city that had
8 an ADR greater than \$100.00 also had the highest occupancy
9 rate.

10 Even though we have 90.6 percent of all of our
11 coastal rooms affordable, the staff recommendation still
12 proposes a \$30,000.00 a door fee, and not just in the 9-block
13 area, not just for this project, but city wide in the
14 redevelopment area.

15 The proposed fee would be on 50 percent of all
16 rooms in the redevelopment area that wanted to redevelop.
17 The fee is also proposed for 25 percent of all new projects,
18 whether or not they contain any fractionals for condos. This
19 is an enormous disincentive for our hotels to reinvest in our
20 area, and is completely contrary to what we are trying to do
21 in our redevelopment area.

22 Now, one of the major findings in the existing LCP
23 states, quote:

24 "While there appears to be an adequate
25 inventory of lower and moderate-cost

1 visitor-serving accommodations on the
2 beach, the city lacks a high quality
3 tourist destination hotel in the beach area."

4 That is a stated, you know, requirement in the LCP. And, I
5 would also point out that the Coastal Commission staff report
6 that you have before you today, on page 23 says that the
7 Coastal Commission wants to insure a range of affordable
8 properties, and 90.6 percent affordable is no range, that is
9 not a range.

10 On page 27 of the staff report, it says you are
11 trying to stem the tide of higher priced properties in
12 California. Well, the City of Oceanside has been waiting for
13 32 years for this tide to raise, and to be able to get a
14 better hotel down there.

15 Now, the city brought forth an LCPA in 2002 for a
16 much different project, and I know some of you were on the
17 Commission at that time, and it was denied, and we are back.
18 We took a very different approach this time.

19 We solicited input from the stakeholders about
20 what they wanted to see in the hotel downtown. We had a lot
21 of public meetings. We even took all of their recommend-
22 ations, and we got them into our request for qualifications.
23 For example, people in the community said there was no place
24 to hold a big party, or a big event, and they wanted a
25 ballroom that could seat 500 people plus a dance floor. We

1 put that in our requirements. When we put out RSQ we said
2 one of the things is you can't do this, and you can't do
3 that, and you have got to have this ballroom. We really
4 learned our lessons from 2002, and this is what we have wound
5 up with.

6 This project is on land acquired by the agency
7 specifically for this project. It does not close Mission
8 Avenue. It does not close Pacific Street. It does not even
9 go as high as the local coastal plan actually allows. It
10 struggled to include this large ballroom and does include two
11 levels of underground parking. And, on top of that, the city
12 is putting \$27 million into this project to make it work.

13 And, here is what the elimination of the
14 opportunity to do fractionals -- and, we believe we actually
15 can do, because we have allowed timeshares in our area, but
16 fractional timeshares will help keep our investment in this
17 hotel as low as we can get it.

18 The Coastal Commission staff's modifications also
19 impose far-reaching operational requirements. One is that
20 the hotel and the timeshare operator have to be one and the
21 same. What we have learned is that not all companies have
22 those product types, and what we are really seeking to do is
23 to have the best operator for both parts of this operation.

24 Another suggested modification limits the ability
25 of the city to sell this property, if it sees fit. Right

1 now, we are working on a DDA that does have a long term lease
2 on it, but why would the Coastal Commission want to dictate
3 to the Redevelopment Agency and the city what is financially
4 and fiscally best for the city to do?

5 We are really asking you just to be fair to the
6 City of Oceanside. We have 3.5 miles of the best beaches in
7 the Southern California. We get millions of people to the
8 beach each year. We have locals, people come from the inland
9 empire, they come from San Diego, they come from all over,
10 but it doesn't mean that they stay in Oceanside. It doesn't
11 mean that they spend any money in Oceanside. The city spends
12 millions of dollars a year. We clean the beach. We life
13 guard the beach. We police the beach. We pick up the trash
14 at the beach and we need money to pay for all of that.

15 A city of this size needs a quality hotel, and the
16 TOT from this hotel is going to give us money to provide the
17 services down at that beach. A quality hotel is really,
18 really, needed.

19 The city has responded to the proposed modifi-
20 cations in a letter to staff, and makes the following
21 recommendations: we agree with numbers 1, 2, and 3, and our
22 number 4 was stated earlier. We would agree with the first
23 clause in Suggested Modification 4, but we strongly disagree
24 with the in lieu fees. We don't believe it is justified in
25 the case of Oceanside.

1 On Modification No. 5, which imposes a \$30,000.00
2 a door in lieu fee for redevelopment of existing properties,
3 the city strongly disagrees with that. We believe that our
4 empirical data supports not having it.

5 Modification No. 6, imposes a \$30,000.00 door in
6 lieu fee for 25 percent of new hotels that are not lower
7 cost. We strongly disagree with that. We have many World
8 War II era functionally obsolete motor courts that would like
9 to improve their properties.

10 Modification No. 7 establishes conditions and
11 restrictions on condominium hotels. The city has proposed
12 some new language to these conditions.

13 On No. 8, it establishes conditions and
14 restrictions on fractional timeshares. Our proposed LCPA
15 already contains significant restrictions. It is only
16 allowed in the 9-block area. A large hotel shall fulfill the
17 25 percent summer requirement. The use is limited to 15
18 percent of total, a very modest amount. The stay is limited,
19 as you heard earlier, and the time limits have to be
20 disclosed to purchasers. We believe that our controls are
21 very good, and that they will work, and we disagree with the
22 modifications as proposed by staff.

23 Modification 9, the city agrees.

24 And, again, the major points that we have are, we
25 have enough affordable rooms. We meet the 20 percent shore

1 front requirements. There are pages and pages in prior
2 years, dating back to 1979, staff reports, and other studies
3 that have been done, that demonstrate that we do have
4 affordable rooms, and we meet our requirements. And, we do
5 believe, strongly, the fee should not be imposed.

6 We have worked extensively with staff over the
7 years to develop policies to implement the redevelopment
8 plan, while maintaining visitor-serving uses, and that is
9 basically what this LCPA before you does.

10 So, we appreciate your consideration, and we would
11 request that you accept our suggested modifications in our
12 letter of December 7.

13 With that, I have a lot of other people here that
14 can answer technical questions, as well as our city council,
15 who will speak in public comment.

16 **CHAIR KRUER:** Okay, thank you, Ms. McVey, again.
17 Mayor Jim Woods.

18 **MR. WOODS:** This for public comment?

19 **CHAIR KRUER:** Yes, 3 minutes, sir.

20 **MR. WOODS:** Thank you, very much, Honorable Chair
21 and Commissioners, I am thrilled to be here. It is the first
22 time I have been to a Coastal Commission meeting. It has
23 been interesting to sit out here and listen and learn. I am
24 Jim Wood. I am the mayor of the City of Oceanside. As our
25 staff member, Jane McVey explained, we are the largest north

1 county city in San Diego County, and we are the third largest
2 city in San Diego region.

3 We are changing, and I think it is important to
4 the City of Oceanside that we address this issue to the point
5 that we brought the entire city council and city manager up
6 here. It is vital to us, and the image that we have in the
7 City of Oceanside. We were considered for years as a
8 military town, which we consider positive. It is wonderful,
9 these are all of the heroes out there protecting the world,
10 and our rights, from the United State Marine Corps at Camp
11 Pendleton. However, we had an image from the 1960s and Viet
12 Nam war, anti-war, and the military that were a lot of
13 draftees. We were considered a town of crime and not very
14 much in the influence of high end.

15 I believe we have changed that. We are a city
16 that people are seeking to come to. We are a tourist
17 community. We have a pier. We have a harbor. We have a
18 mission, one of the original missions in California. We are
19 centrally located, in the sense that we are between Los
20 Angeles and certainly San Diego with the largest military
21 base in California right next to us. That is very important
22 to us. And, with that image change, we want to let you know
23 that we have done an awful lot.

24 This particular project came up in the past to the
25 Coastal Commission, and it was turned down -- what was termed

1 the Manchester project. Not only did it get turned down, but
2 it cost us millions in litigations.

3 With that in mind we have moved forward, and have
4 learned some lessons, and listened to other people regarding
5 how to build something. We changed everything that was
6 denied by the Manchester project in the past. We have got an
7 awful lot of public input, many, many meetings with the
8 public, seeking suggestions and input, making this for
9 tourism.

10 One of the concerns we had -- as Jane McVey
11 mentioned -- was we are a military town, and we have plenty
12 of low-income affordable apartments, condos, or whatever you
13 want in our community. We are just trying to change that to
14 the betterment of the City of Oceanside as we improve. We
15 seek that. We are hoping for your help.

16 One of the other things I want to bring up to you
17 is we kind of look at you as the Commission, not everybody
18 the same, but we were basically promised by the old
19 Commission that if we would come back with another project
20 and look at the differences and concerns, which we did on a
21 daily basis with the public, and we are coming back with that
22 project, and saying, "You promised us something, and I hope
23 you will follow through with it."

24 But, then we get added a lot more of these
25 restrictions and fees, and door costs. I think that is going

1 to be a possible way to cripple our 30-plus years of
2 redevelopment in our downtown Oceanside area. The last thing
3 we want is to go through this 30-year process to find out
4 that we are being blocked, or that we will lose those
5 projects for the City of Oceanside.

6 I think it vitally important to the City of
7 Oceanside for economic development reasons, for tourism
8 reasons, for the military and everything else we have
9 offering in the City of Oceanside, and I truly don't believe
10 that the Commission's intent was to destroy 30 years of
11 progress in the City of Oceanside, who strives very hard in
12 the community, to make us, the City of Oceanside, a better
13 place for everybody.

14 I think I have other council members. Like I say,
15 the entire council thought this was important enough to fly
16 up here today, and stay up here, and some of us are flying
17 right back as we have meetings to go to, but it is very
18 important and vital to us in Oceanside.

19 And, I thank you for your time, and please, all of
20 you enjoy your holiday and be safe, thank you.

21 **CHAIR KRUER:** Thank you, Mayor Wood.

22 Jerome Kern.

23 **MR. KERN:** Thank you, Mr. Chairman. My name is
24 Jerry Kern. I am also a councilmember for the City of
25 Oceanside.

1 You know, I realize that this hotel project is
2 part of this LCPA, but it is linked directly and closely. As
3 a community, we are investing in our downtown, we are
4 investing in our city, and this project in this coastal area,
5 benefits the entire downtown.

6 You know, some of this language in this LCPA
7 allows for just a few fractional timeshares, and the condo
8 units. Well, we already have timeshares in the downtown. We
9 are trying to follow the guidelines that you set out, and it
10 gives us the specific language we are trying to follow now.
11 We need to do this. Like as was said before, 32 years we
12 have been at this, and we need to get this started now.

13 I want to urge you not to impose any fees on this
14 hotel, or within this area, because we need to redevelop
15 these areas. Like the mayor said, some of these things date
16 back to World War II. We have people that want to
17 rehabilitate these projects, and this will kill it. So,
18 basically, what you are going to do is to stifle Oceanside
19 and keep it into the 1950's and 60's, so we need to move
20 forward.

21 The only thing I really want you to do is to urge
22 you to adopt the amendment as presented by the Oceanside city
23 staff, thank you.

24 **CHAIR KRUER:** Thank you, sir, thank you, Mr. Kern.
25 Mr. Feller, Jack Feller.

1 **MR. FELLER:** Good afternoon, Chair and Commission-
2 ers. My name is Jack Feller. I am on the city council for
3 the City of Oceanside. Thank you for the opportunity to
4 address you regarding this very important issue.

5 This community has worked for over 30 years on
6 this project. We have spent several years just on public
7 input. This proposal, and the hotel project, are the result
8 of much, much negotiation and compromise with all of the
9 community -- all of the community.

10 The citizens of Oceanside want and deserve this
11 hotel. It is the citizen's project, and it is good for the
12 entire city. This is our little piece of the economic pie,
13 if you will. Please recognize its value to Oceanside, and
14 accept our LCPA with the city's proposed modifications.

15 Thank you, and as well, I brought in letters that
16 were distributed from Senator Mark Wyland, and Assemblyman
17 Martin Garrick. Thank you, and I would love to have you come
18 and see us in Oceanside, see what we are so excited about,
19 see what we are doing. Maybe in 2010 hold a Coastal
20 Commission hearing in our new hotel.

21 Thank you.

22 **CHAIR KRUER:** Good idea, thank you, Mr. Feller.
23 Ms. Sanchez, Esther Sanchez, and Rocky Chavez.

24 **EXECUTIVE DIRECTOR DOUGLAS:** As long as it is
25 free, it will be okay.

1 **CHAIR KRUER:** Three minutes, Ma'am.

2 **MS. SANCHEZ:** Good afternoon, Mr. Chair,
3 Commissioners, and Coastal staff. I am a strong supporter of
4 the *Coastal Act* and of this regulatory body. We continue to
5 need protection of coastal public access and public views, as
6 well as protection of our bluffs.

7 I have been on the council since 2000, and I want
8 to let you know that I have consistently supported the S.D.
9 Malcolm Beach Resort project; however, what is before you
10 does not, and will not, just apply to this project. What is
11 before you are policy issues that have city-wide and state-
12 wide ramifications.

13 I support your staff's recommendations for
14 conditions. The only real issue is the proposed in lieu fee
15 for mitigation. I ask you to discuss the amount and method,
16 timing of collection, so that we can continue to build
17 coastal hotels in Oceanside.

18 We do not need more condo projects on the coast,
19 especially in Oceanside. In the 7 years that I have been on
20 the council, it seems that every project coming before us on
21 the coast or beach, on the strand, is a conversion to a
22 higher density condo project.

23 When staff talked about what was happening on the
24 strand, exactly that is what has been happening. When I was
25 a child -- I am part of a 4-generation Oceanside family -- I

1 remember driving on the strand, being able to drive both ways
2 straight through and seeing motel after motel and an RV park.
3 You drive there now, and there are very few motel rooms left,
4 almost everything has been converted to condos, and the RV
5 park has been pushed over to the harbor, and we now have
6 conflicts, in terms of RV uses at the harbor.

7 Again, I am part of a 4-generation Oceanside
8 family, and I have seen the deterioration of RV uses at the
9 beach, as well as the conversion of affordable accommodations
10 to condos, especially on the strand.

11 Now, this project, the S.D. Malcolm project is
12 unique. It is a public-private partnership, wherein the City
13 of Oceanside is providing a subsidy to the tune of \$27
14 million, and that is by way of future TI and TOT; however, I
15 urge you not to base your decision solely on this project.
16 Rather, if you feel that this \$27 million subsidy is a
17 reflection of the developer's ability to pay this, or any
18 sum, then I urge you to craft language establishing a
19 threshold for the application of in lieu fees, such as
20 whether or not it is a joint venture? publicly subsidized
21 project? and to the extent of the public subsidy.

22 On a procedural note, there are probably several
23 hundred people in our city who would feel the same way I do,
24 and perhaps even stronger. Next time there is an Oceanside
25 item of this magnitude, I would ask you to please consider

1 calendaring this item for a Southern California meeting, so
2 that more people can attend.

3 There were a couple of things that were said
4 during the presentation that I want to correct. With respect
5 to this project --

6 **CHAIR KRUER:** Ms. Sanchez.

7 **MS. SANCHEZ:** Yes.

8 **CHAIR KRUER:** Your time is up.

9 **MS. SANCHEZ:** Okay, just want to say --

10 **CHAIR KRUER:** Yes, go ahead, go ahead.

11 **MS. SANCHEZ:** -- okay, this was a 3-block project
12 to be one block timeshare, and the other two hotels. We have
13 a timeshare. It was never to include timeshare. This is
14 something that came up about 18 months ago.

15 Thank you.

16 **CHAIR KRUER:** Thank you, Ms. Sanchez.

17 Rocky Chavez, Deputy Mayor.

18 **MR. CHAVEZ:** Good afternoon, Chairman and
19 Commission.

20 You know, I sit in this building and I look around
21 -- I have got to take you a little bit differently. In my
22 real job I am principal of a high school, and when I think
23 about the public process, and what is going on, and what does
24 a community provide to its citizens, to sit in this building
25 here, with 30-foot ceilings, and look at the ambience, and

1 just feel it, is -- I think I was talking to somebody
2 outside, saying it probably really isn't set up for a
3 democratic process, more of a monarchy, I believe, was his
4 term.

5 I say that because what we are doing right now in
6 Oceanside is a democratic process. I am supportive of the
7 Coastal Commission, like Esther Sanchez, I too was born in a
8 beach community. I have surfed at Redondo and Torrance Beach
9 and Hermosa Beach, and I chose to settle in Oceanside after
10 27 years in the Marine Corps, I chose to stay there, and it
11 is a beautiful beach community. And, I recall of the time
12 that Esther was talking about, the strand, because I too
13 walked down those strands.

14 But, the issue is balance. A letter reflected
15 previously in which Commissioner Steve Blank, with his
16 background in economics and business, talked about how things
17 work. How does business work? When we go ahead and we
18 assign a fee and a tax on structures, sometimes we take it
19 out of reach of others. Sometimes it is not economically
20 feasible.

21 We only need to leave these halls, read the papers
22 to see what is going on in the market today. People are
23 losing houses, and people who are investing in projects, like
24 developers, are losing everything they have. These are
25 challenging times before us.

1 I support what you are doing in keeping the
2 beaches clean. I support what you are doing in keeping
3 public access, but I also believe I support what you were
4 originally designed to do, and that is to keep a balanced
5 community. I believe by making a balance, by making sure we
6 have high end, medium, and more affordable, then everyone can
7 use the beaches.

8 The people who are developing these hotels, we are
9 talking of the changes, are going to be required to put free
10 parking in there, to get more access to north county
11 residents.

12 Please, don't be tempted with the raptures of this
13 facility. Think, what do you mean to the citizens of
14 Oceanside? This is our public process. We would like you to
15 support our democratic process.

16 Thank you.

17 **CHAIR KRUER:** Thank you, Mr. Chavez, would you,
18 just for the record, state your name for the record? I am
19 sorry I didn't --

20 **MR. CHAVEZ:** My name is Colonel Rocky Chavez. I
21 am the deputy mayor, City of Oceanside.

22 **CHAIR KRUER:** Thank you, sir, and thank you for
23 your presentation.

24 Jim Abrams.

25 **MR. ABRAMS:** Thank you, Mr. Chairman, my name is

1 Jim Abrams. I am the president of the California Hotel and
2 Lodging Association, and I am here also on behalf of the
3 California Association of Better Breakfast Inns. We are here
4 to support the application.

5 But, more broadly, we rarely come before this
6 Commission with respect to particular projects. The only
7 time we come before you -- and this is one of those times --
8 is when we see things that the Commission is considering that
9 would have a tremendous impact, not only with the project in
10 question, or in this case the application in question, but
11 for the entire lodging industry throughout the State of
12 California, and this is one of those instances.

13 Up until this time, a lot of what is in the
14 modifications being proposed by the staff pertain to
15 timeshares and condominiums, and we know that you, as the
16 Commission, have imposed similar conditions and restrictions
17 in other condominium projects.

18 What the staff is proposing here, however, is to
19 go far beyond condominiums and other common interest
20 developments, and to apply a set of fees and other
21 regulations to hotels everywhere, of any kind, throughout the
22 coastal zone.

23 Moreover, we think that with respect to
24 condominiums, timeshares, fractional ownership interests, and
25 other common interest developments, what is happening is that

1 the staff has, by virtue of the restrictions it has proposed,
2 and some of them which have been accepted in the past,
3 putting in place a de facto regulatory system that covers a
4 lot of things that we -- and I say this with respect -- we
5 believe are beyond the purview of the legislative authority
6 that has been given to the Commission.

7 For example, we note in the proposed modifications
8 a number of things that really get into the operation of a
9 hotel, regulating the types of keys that are going to be
10 used, regulating the rates that can be charged, talking about
11 transient occupancy tax to be paid by timeshares -- and
12 whether this project has timeshares or not, is irrelevant as
13 timeshares are exempt from revenue transient occupancy tax in
14 California -- requiring that management fees be reasonable --
15 and, I will put aside for a moment the fact that there is no
16 definition of what that means -- and things like that.

17 We believe if the Commission is going to implement
18 a regulatory scheme that is going to impact the entire
19 lodging industry throughout the coastal zone, due process,
20 the Constitution, and laws of the State of California
21 require, first of all, some legislative changes, and then
22 also that there be a full regulatory rule-making proceeding,
23 so that everybody who has an interest in this throughout the
24 state can have input.

25 Also, we do believe that the imposition of fees,

1 per se, is an unwise public policy, because this is going to
2 drive up the cost of lodging accommodations throughout the
3 coastal zone, both high and low end.

4 Thank you for your time, sir, and I would be
5 ready, Commissioners, to answer any questions that you have.

6 **CHAIR KRUER:** Thank you, sir, thank you for your
7 testimony.

8 I think it is Pravin Pranav? sorry if I
9 mispronounced it, three minutes, sir.

10 **MR. PRANAV:** Yes, Chairman Krueer, members of the
11 California Coastal Commission, thank you for affording me the
12 opportunity to speak to you.

13 **CHAIR KRUER:** State your name for the record,
14 please.

15 **MR. PRANAV:** My name is Pravin Pranav, and I am a
16 resident of La Palma, California.

17 I am the owner of two lodging properties in
18 Oceanside that fall within the coastal zone. These
19 properties are the Days Inn, located at 1501 Carmilla Drive,
20 and the Guest House Inn and Suites, located at 1103 North
21 Coast Highway. Both properties have 80 affordable rooms each
22 available for overnight accommodations.

23 The lodging industry is a key engine of economic
24 prosperity in California. It is one of the largest employer
25 in the state, and has large contributions to local taxes.

1 The proposed staff recommendation to assess
2 \$30,000.00 development fee per room in the coastal zone is
3 ill conceived and should not be adopted. In staff's view, to
4 levy this fee, and increase it each year, as they are
5 proposing that the fee be tied to the cost-of-living index.
6 I do not see a similar cost-of-living index adjustment to the
7 criteria here to determine affordable accommodations, which
8 has been arbitrarily set at \$100.00 per day.

9 In concluding, I would like to state that the
10 \$30,000.00 fee will cause more harm than good by increasing
11 the costs of overnight lodging in the coastal zone, the exact
12 opposite of making coastal accommodations affordable.

13 For these reasons, I respectfully request the
14 Commission members to reject this section of the staff
15 recommendation, and approve the Western hotel development in
16 Oceanside, thank you.

17 **CHAIR KRUER:** Thank you, sir.

18 Mark Massara, three minutes, sir?

19 **MR. MASSARA:** Yes, thank you.

20 Honorable Chair, Commissioners, we support the
21 city's efforts and the hotel proposed here, and merely wish,
22 once again, to caution that the adverse impacts associated
23 with allowing private residential subdivision ownership on
24 land zoned for visitor-serving accommodations corrodes and
25 dilutes the highest priority land use in coastal recreational

1 area, while promoting the lowest, least desirable use. It
2 artificially inflates real estate values. It eliminates
3 visitor-serving inventory and capacities for expansion of
4 that inventory, and further facilitates the extinction of
5 that illusive rarely sighted accommodation commonly referred
6 to as a lower-cost room.

7 As for the Commission's promise to Oceanside, that
8 was for a hotel, and not for condominium units. Fortunately,
9 in Oceanside, in 1985, with the elimination of the lower-cost
10 Buccaneer Hotel, the city established a future baseline
11 mandate of 375 reasonably priced rooms along the shore, which
12 the city, regrettably, has been unable to achieve.

13 At any rate, and for the lack of a better
14 alternate mitigation that would require the luxury hotel
15 developer to construct lower-cost rooms before the luxury
16 hotel, we support staff's efforts here to establish
17 mitigation for the allowance of 48 condo-hotel units within
18 the project.

19 The mitigation is, if anything, dramatically
20 inadequate and could easily be many times higher. Rather
21 than a deal killer, it represents an infinitesimally small,
22 fraction of the overall project budget.

23 It is truly difficult to listen to applicants
24 seeking to build \$500.00 a night rooms, complaining about
25 having to help establish \$100.00 a night rooms. Nor, is this

1 mitigation unprecedented. You did it with KSL and you have
2 imposed similar types of payment accounts for lower-cost
3 rooms, and loss of those rooms, in many other communities
4 such as Santa Barbara and Monterey and other locales.

5 In conclusion, we urge that you not leave the less
6 fortunate behind as the luxury hotel proceeds.

7 Thank you.

8 **CHAIR KRUER:** David Nydegger, three minutes, sir?

9 **MR. NYDEGGER:** Good afternoon, my name is David
10 Nydegger, and I am president and CEO of the Oceanside Chamber
11 of Commerce, and I am here this afternoon representing
12 several different groups.

13 Shortly after the Manchester project was denied,
14 the city did extensive efforts to come up with a project that
15 was going to work. When the council approved the negotiation
16 agreement with S.D. Malcolm, there was a "cum bi ah" [sic.]
17 moment in the City of Oceanside, and all of those groups that
18 were opposing each other, had all come together and support
19 it.

20 The Chamber of Commerce proposed a coalition of
21 these folks, and have them bring together, and I am also
22 representing them, which includes COAST, a citizens activist
23 group, Main Street Oceanside a 250-member business group,
24 North Beach of Oceanside, Oceanside Coastal Neighborhoods
25 Association, North Town Side, and also Business and Political

1 Action Committee, and of course, the Oceanside Chamber of
2 Commerce with its 950 members.

3 I respectfully request that the California Coastal
4 Commission accept the amendment of the Oceanside Local
5 Coastal Plan as presented by the Oceanside city staff.

6 I have been a resident of the City of Oceanside
7 for my entire life. More than 30 years ago, the city
8 leadership established the downtown redevelopment area. The
9 purpose was to clean up, tear down, the old dilapidated and
10 seedy downtown area, and develop new and better facilities
11 for the Oceanside citizens and visitors, alike.

12 What was torn down? bars, massage parlors, an old
13 fuel storage facility, adult movie houses and adult book
14 stores. What was built were family restaurants, visiting-
15 serving shops, a 16th Street family movie theater, and many,
16 many beautiful family homes. We are currently in the process
17 of bringing on board more visitor-serving businesses.
18 Oceanside is finally emerging as a beautiful city on the
19 move.

20 One of the requirements of the Local Coastal Plan
21 has not been accomplished yet, was to have a quality hotel
22 built in the redevelopment area. The S.D. Malcolm project
23 will accomplish that goal. It will also provide much needed
24 visitor-serving amenities, including conference and meeting
25 spaces, restaurants, retail shops, and many new employment

1 opportunities.

2 The project has addressed any and all concerns
3 regarding public access, parking view restrictions. This
4 project is a model for what good development along the
5 California coast should be. The inclusion of an exorbitant
6 per door fee could prohibit the developer from continuing
7 with this project, and that would be disastrous for our city.
8 Please consider that 90 percent of the hotel-motel rooms in
9 Oceanside are already affordable.

10 There are 90-room beach cottages and 264 RV
11 spaces, just to the north of us on the base of Camp
12 Pendleton, and all of those are affordable, plus the State of
13 California operates camp sites at San Onofre, San Clemente,
14 and Carlsbad, all close to us.

15 The California Coastal Commission has done an
16 admirable job in protecting, conserving, restoring, and
17 enhancing the resources of the California coast. Please
18 continue that effort by regulations, not by prohibition.

19 Thank you.

20 **CHAIR KRUER:** Thank you, sir.

21 And, it is time now for Ms. McVey, your rebuttal
22 time, for your 10 minutes.

23 **MS. MC VEY:** Mr. Chairman, members of the
24 Commission, I just have a few points.

25 No. 1 is that the shore front was defined in the

1 2002 coastal staff report as to be up the Coast Highway. We
2 are required to have 75 rooms, we have 482, we are in
3 compliance.

4 No. 2, timeshares are allowed in the redevelopment
5 area with a conditional use permit, except for the areas that
6 are completely residential.

7 No. 3, it was stated that this project was never
8 going to increase timeshares. What began as a hotel project,
9 because of the cost of construction, and the cost to develop
10 this, some timeshares were added in to keep this subsidy as
11 low as possible, so it was approved some time ago with the
12 addition of this modest amount of timeshares.

13 We have 90.6 percent affordable rooms. We are
14 asking for only 25 percent of our total to be able to be
15 condo-hotel rooms, or timeshare rooms. Our current project
16 is 336 rooms, all we are asking for is to be able to
17 accommodate 48 out of 336, right now that are proposed to be
18 the proposed timeshare rooms.

19 What we are asking you is this: we disagree with
20 the in lieu fee. We disagree with the restrictions and
21 conditions on the fractional timeshares. We believe that our
22 conditions and restrictions are workable. They are allowed
23 only in a 9-block area. It will fulfill the 25 percent
24 requirement. Fractionals would be limited to 15 percent of
25 total. The stay is limited and it is disclosed.

1 We have carefully thought this through. We have
2 been thoughtful, methodical, deliberate, so we respectfully
3 request that you approve our LCPA with the modifications as
4 suggested in the city's December 7th letter.

5 **CHAIR KRUER:** Thank you, very much, Ms. McVey, is
6 there anything else? okay.

7 With that, we will close the public hearing, and
8 go to staff for their response.

9 **DISTRICT DIRECTOR SARB:** Thank you, Chairman
10 Kruer.

11 As is often the case with these project-driven LCP
12 Amendments, it is very easy to focus on the project, itself,
13 and not the fact that this is an LCP Amendment that is
14 designed to include ordinances that apply not only to the
15 project site, but to the entire redevelopment area. We
16 certainly acknowledge that this particular project that is
17 driving this LCP Amendment is a great improvement over what
18 the city had proposed in the past.

19 What we are seeking here is a complete LCP that
20 addresses future build out of the redevelopment area, and has
21 the provisions in the LCP that will address lower-cost
22 accommodations, and protect the existing stock, as well as
23 provide for new lower-cost accommodations.

24 The city is using the existing inventory as a
25 basis for allowing the condominium hotels and the fractional

1 units, in this particular case, and again we support that,
2 but not without the provisions that will protect the existing
3 stock in this area.

4 You have heard that there are existing units being
5 converted to condominiums along the strand all of the time.
6 These sites are prime for redevelopment at this point. If
7 the market allows for the rates to increase, rates will
8 increase on these existing hotels. So, again, we feel that
9 the controls on the existing hotels, and the in-lieu fee
10 associated with new development are very important for
11 providing for, and protecting lower-cost visitor
12 accommodations in the coastal zone.

13 I do disagree that the previous staff report
14 defined the shore front to include up to Coast Highway.
15 There was an acknowledgement that there are others in the
16 city, in near-shore areas, but there was a distinction made
17 in that staff report as to what is shore front, and these
18 particular units, as identified before, were previously
19 identified as lower cost, or at least under \$100.00, but they
20 no longer go for that rate. In terms of the \$100.00 as being
21 a definition of what is lower cost, that has never
22 specifically been endorsed by the Commission. There
23 certainly is a large segment of the population that could not
24 afford \$100.00 hotel room. The truer lower-cost facilities
25 are those that we are targeting with this in-lieu fees, the

1 hostels, the campgrounds, cabins, and things such as that.
2 The \$100.00 is a more of a moderate price for hotel over-
3 night accommodations. It is not, necessarily, a lower-cost
4 visitor-serving facility.

5 In terms of some of the city's changes that they
6 are requesting in their letter, some of these changes staff
7 does not have a problem with, and I could go through those
8 now, or later. There is the need for a clarification of
9 intent on a number of the changes that relate to the
10 relationship between the owner and the operator. It is not
11 clear to us whether or not their intent is to not have these
12 units available to the general public, if the owner is
13 marketing the units and the operator is not a rental agent,
14 and that would not be acceptable to staff, to make those
15 kinds of changes that would not allow these units to be open
16 and available to general public use, in the same way as all
17 of the other hotel units, when it is not occupied by the
18 owner.

19 But, in terms of the change that the city wants to
20 make to Suggested Modification No. 5, that addresses the
21 potential conversion of these existing traditional hotels to
22 limited use overnight accommodations, the city's change is
23 addressing conversion of hotel rooms in a facility that has
24 already been approved as a limited overnight accommodation,
25 and so we could agree with that change, but the conversion

1 would only be allowed up to the 25 percent, and the 15
2 percent maximum established in the LCP.

3 One change, though, to the city's language, is
4 that last sentence, instead of saying "without an approved
5 amendment to the Coastal Development Permit", that should
6 read "with an approved Coastal Development Permit" and staff
7 could incorporate that change into our recommendation for No.
8 5.a.

9 The 5.b. is also acceptable, the city's change to
10 5.b. And, 5.c. is what Ms. McVey referenced about having to
11 own the property. The changes that they suggest there are
12 acceptable to staff, and we could incorporate those changes
13 into our staff recommendation.

14 The other revisions on D. E. F. G. and I, again
15 are problematic and the intent is not clear. The change on
16 K. is acceptable and it relates back to the previous changes
17 on conversions, as well as the change on L. would be accept-
18 able to staff, and we could make those revisions to our
19 recommendation. But, the other changes -- with the exception
20 of the corrections to the typos that they have made to the
21 CC&Rs -- those would be the changes we would make in our
22 recommendations. The other changes the city is suggesting
23 are problematic to staff, and would not be supported.

24 Did you have some comments, Peter?

25 **EXECUTIVE DIRECTOR DOUGLAS:** Mr. Chairman, this

1 is, as Sherilyn indicated, a vast improvement over what we
2 saw before, and we applaud the city's efforts to get to this
3 point, and appreciate their working with our staff over the
4 last several years to get here.

5 What our concern is, and what our fundamental
6 difference is, is how to wrestle with the notion that -- and
7 the dynamics of what is happening to our population. The
8 demographics in California are changing rapidly. Population
9 is continuing to increase. Coastal areas are getting out of
10 reach for the moderate lower-income segment of the
11 population, and what can we do to carry out the mandate in
12 the *Coastal Act* to protect shore-front areas, not just for
13 the people who can afford it, but for lower-cost accomod-
14 ations, but for those people who can't afford even the
15 \$100.00 a night kind of accommodation. And, when you look at
16 the reference to the availability of what is called "afford-
17 able units" those are changing. And, as we lose these, what
18 is going to be left for the public 10, 15, 20, 30 years down
19 the road? That is the dilemma that we are wrestling with,
20 and this is what our recommendation is aimed at addressing.

21 If you are going to look at this project as
22 unique -- or the hotel, at least, that is driving the LCP
23 Amendment -- is a public-private partnership that is
24 different, but from my perspective, this is such a fundament-
25 al issue we really look to your guidance to tell us how are

1 we going to deal with this long term?

2 This is our suggestion. But, it isn't a magic
3 bullet -- I don't like bullets anyway -- but it isn't the
4 magic answer, so we look to your guidance on this, and are
5 prepared to answer any questions you may have.

6 **DISTRICT DIRECTOR SARB:** Mr. Chairman, I am sorry.

7 Staff counsel pointed out that I misspoke in
8 saying that we would change all of the suggestions that the
9 city was making for Section L. We could accept adding the
10 language without an approved Coastal Development Permit, but
11 we would not agree with striking the Executive Director being
12 a party to review the deed restrictions.

13 That concludes my comments.

14 **CHAIR KRUER:** Thank you, very much, and thank you
15 for your comments.

16 With that, I will go back to the Commission.

17 Commissioner Hueso.

18 **COMMISSIONER HUESO:** Just to clarify, I have some
19 questions of both the City of Oceanside and staff, following
20 that I would like to make a motion, and if that means by
21 asking questions, I am prefacing my motion, then I will be
22 glad to wait for another Commissioner to speak.

23 **CHAIR KRUER:** Well, you could, if you want,
24 Commissioner Hueso, you could ask your questions if you want,
25 and then we could go to another Commissioner, and then come

1 back to you, okay?

2 **COMMISSIONER HUESO:** That will be fine, and if the
3 Regional Development Director Jane McVey could come to the
4 microphone, I have some questions for you, in an issue that
5 wasn't -- just came to my mind, and nobody really touched to
6 it, but I think it is relevant to this project, whether it is
7 housing or a hotel.

8 How large is your redevelopment area? in terms of
9 acreage?

10 **MS. MC VEY:** [REDACTED] \$.

11 **COMMISSIONER HUESO:** And, how much of that is in
12 the coastal zone?

13 **MS. MC VEY:** The coastal zone includes the bulk of
14 it.

15 **COMMISSIONER HUESO:** So, we can say that 375 acres
16 of your redevelopment area are within the coastal zone?

17 **MS. MC VEY:** Most of it is, yes.

18 **COMMISSIONER HUESO:** What is your annual budget,
19 in terms of tax increments and revenues that you derive from
20 the general interest --

21 **MS. MC VEY:** Commissioner Hueso, I am going to do
22 this off of the top of my head, since I have a lot of hotel
23 statistics, and I failed to bring any of the budget
24 statistics. So, off of the top of my head, I am going to say
25 around \$5 million, but I am also going to add that the bulk

1 of that is revenue in, and then we have debt service for
2 projects, revenue out, so most of it is dedicated to debt
3 service.

4 **COMMISSIONER HUESO:** So, you have been preparing a
5 5-year implementation plans every 5 years?

6 **MS. MC VEY:** Commissioner Hueso, yes, we have. As
7 a matter of fact, at our last council meeting, we did our
8 mid-year update, which will be submitted to the state.

9 **COMMISSIONER HUESO:** And, in that, did you speak
10 to how your 20 percent set aside funds are being used for the
11 production of affordable housing?

12 **MR. MC VEY:** Commissioner Hueso, we did. In a
13 redevelopment area, as you may know, 20 percent of all gross
14 revenues that come into the redevelopment area go right
15 straight out to our housing department, who does do
16 affordable housing projects within the city.

17 **COMMISSIONER HUESO:** Are you looking to develop
18 affordable housing projects within your redevelopment area?

19 **MR. MC VEY:** Commissioner Hueso, no we are not,
20 and let me explain why.

21 Because the coastal property is so expensive, we
22 can buy a lot more with that money by moving it outside of
23 the redevelopment area. We have built a -- or the city has
24 built a number of affordable projects, because the money just
25 goes a lot farther if we go a wee-bit inland.

1 **COMMISSIONER HUESO:** Is there any way you can
2 change your policy, in terms of finding a way to spend some
3 of that money in the coastal area. Is that something that --
4 even if it is infeasible, I mean, you can focus and maybe
5 bond. I mean, have you guys contemplated --

6 **MS. MC VEY:** Commissioner Hueso, the implement-
7 ation plan, when it was revised around -- I am going say
8 close to 10 years ago -- did add some language that said that
9 the affordable housing production could be within or without
10 the redevelopment area, for the benefit of the redevelopment
11 area.

12 So, a policy was made at that time that it could
13 be utilized outside of the redevelopment area, and the agency
14 and the city council -- acting as the community development
15 commission -- has not provided direction that they would
16 choose to put the affordable housing in the redevelopment
17 area.

18 If you think back on the slide -- which I could
19 pull up -- of the boundaries of the redevelopment area, they
20 are not square, if you will, and it jigs and jags around
21 several neighborhoods that are immediately adjacent to
22 redevelopment, but not within redevelopment. We have some
23 neighborhoods that are completely encircled by redevelopment,
24 but they are not part of redevelopment, because in 1975 they
25 didn't want to be in redevelopment. So, there is some

1 history there.

2 If I would point you to the white area at the
3 upper left of the screen, that area, for example, is not in
4 redevelopment. There are several areas --

5 **COMMISSIONER HUESO:** Is it in the coastal zone?

6 **MS. MC VEY:** That, I do not believe is in the
7 coastal zone.

8 **COMMISSIONER HUESO:** Okay.

9 **MS. MC VEY:** To the right of it is, but not there.

10 **COMMISSIONER HUESO:** Did you prepare a feasibility
11 analysis with the DDA that you contemplate entering into with
12 the developer?

13 **MS. MC VEY:** Commissioner Hueso, yes we have hired
14 Kaiser Marsten. When we originally did our ENA, our
15 Exclusive Negotiating Agreement, and our subsequent MOU with
16 the developer, we do have extensive analysis that was done by
17 Kaiser Marsten, as to the feasibility of the project and the
18 amount of money that would have to be infused into it to make
19 it happen.

20 **COMMISSIONER HUESO:** And, the suggested a \$27
21 million subsidy.

22 **MS. MC VEY:** Well, they did not suggest it, but
23 that is how the numbers fell out.

24 **COMMISSIONER HUESO:** In other words, the
25 feasibility analysis suggested \$27 million subsidy?

1 **MS. MC VEY:** That is correct.

2 **COMMISSIONER HUESO:** Questions to staff, also,
3 along that line of thinking, in terms of was the feasibility
4 analysis reviewed? and your determination in terms of what it
5 --

6 **DISTRICT DIRECTOR SARB:** I don't know. I don't
7 think so.

8 **COMMISSIONER HUESO:** You didn't look at it at all?

9 **DISTRICT DIRECTOR SARB:** I am not sure if it was
10 submitted. I'm sorry.

11 **COMMISSIONER HUESO:** Did you review information on
12 the redevelopment area and the possibility of investing tax
13 increment money for the production of affordable housing?

14 **DISTRICT DIRECTOR SARB:** No, we did not look at
15 that.

16 **COMMISSIONER HUESO:** Do you see that as something
17 of a benefit to Oceanside in the possibility of locating
18 affordable units on the waterfront?

19 **EXECUTIVE DIRECTOR DOUGLAS:** The answer is yes, it
20 would be, but it is not our purview under the Coastal Act
21 here to be addressing how to provide new affordable housing.

22 We are focused in other areas on protecting
23 existing affordable housing, and that may be an issue with
24 some of the conversions we heard about today, which we have
25 to look into. But, the answer to your question is just from

1 what I know of the subject area, I think it would be positive
2 to do that, whether or not -- and what we have found is that
3 most local governments don't want to put affordable housing
4 in the coastal zone, or even in immediate proximity to it,
5 because that is the highest cost real estate. And, so we
6 have seen it pushed inland away from the coast.

7 So, the answer is, yes, but we don't have the
8 ability to require that here.

9 **COMMISSIONER HUESO:** Can we require it as part of
10 this amendment, as a modification, to ask them to invest
11 their affordable housing money --

12 **EXECUTIVE DIRECTOR DOUGLAS:** I don't believe so.

13 **COMMISSIONER HUESO:** -- into the coastal area?

14 **EXECUTIVE DIRECTOR DOUGLAS:** I don't believe so.
15 I don't think that is within our jurisdiction.

16 Now, if you asked me about existing affordable
17 housing, that might be different.

18 **CHAIR KRUEER:** Commissioner Hueso, let me just
19 weigh in on that a little bit, because I think I can answer
20 some of your questions.

21 I think it is virtually, almost impossible, to
22 create affordable housing with the cost today, of
23 construction costs, et cetera, in the coastal zone for
24 affordable housing. To do it, the subsidy would be so great
25 that if you were a city or a redevelopment agency, you would

1 take away to build -- it could cost you \$300,000 or \$350,000
2 a unit, where you can go and leverage your limited resources,
3 and build a lot more units on the edge of the coastal zone,
4 et cetera.

5 **COMMISSIONER HUESO:** I am familiar with that.

6 **CHAIR KRUER:** But, it is economically, it is like
7 with the height limits, parking issues, site things, and
8 everything else, it is very, very difficult today, because
9 there are not any 9 percent tax credits anymore. They are
10 very hard to get. There are just 4 percent tax credits, and
11 the cost of financing, and the gap, and the spreads have
12 increased greatly, I mean it is just -- we can all kid
13 ourselves and think we are going to force people to build
14 affordable housing in the coastal zone, it is not going to
15 happen.

16 And, if you do, do it, then I would say you are
17 making a bad policy in not spreading the units all around and
18 creating a lot more, really, affordable housing units.

19 So, we can talk about it, but in reality it is
20 very, very difficult to achieve. You have got height limits,
21 you have got public view issue things, you have got setback
22 issues, you have got costs. The cost of just building a
23 straight garden apartment now is over \$200,000 a unit, and on
24 a two-story where you don't have parking problems. In the
25 beach area, you can't assemble enough land to create enough

1 density to make it work in an affordable housing project,
2 because you have to have enough units to drive the affordable
3 units.

4 So, it is a really difficult challenge to do, and
5 I just wanted to weigh in on it a little bit, because I
6 understand the economics of them very well.

7 COMMISSIONER HUESO: I am going to speak to that,
8 please.

9 CHAIR KRUER: Okay, okay?

10 Commissioner Reilly, and then I will go back to
11 Commissioner Hueso.

12 COMMISSIONER REILLY: Thank you, Mr. Chairman, it
13 was interesting to hear Peter say that he was looking to us
14 for guidance on this. I had thought, on this condo hotel
15 thing, that through Long Point, and Ole Dell, and Huntington
16 Beach and Encinitas, we might have provided some, but I guess
17 it is up to us to do it again.

18 I had some questions of staff on this. There was
19 a question that was raised during testimony about TOT
20 requirements for time shares, and the fact that state law
21 prohibits charging TOT on time shares. Can staff respond to
22 that?

23 [Pause]

24 I am, by the way, familiar with that law.

25 EXECUTIVE DIRECTOR DOUGLAS: Well, we aren't.

1 DISTRICT DIRECTOR SARB: I am not.

2 COMMISSIONER REILLY: What?

3 EXECUTIVE DIRECTOR DOUGLAS: We aren't.

4 So, it is my understanding, in this case though,
5 that part of the subsidy is to forego the TOT for that
6 portion of the project that can be charged that, but whether
7 or not time shares are charged that, I don't know.

8 I know that for condominium hotel units, we
9 understand that they will continue to pay.

10 COMMISSIONER REILLY: Condo hotels, stays under 30
11 days --

12 EXECUTIVE DIRECTOR DOUGLAS: Right.

13 COMMISSIONER REILLY: -- you can do it.

14 EXECUTIVE DIRECTOR DOUGLAS: Right.

15 COMMISSIONER REILLY: Timeshares, there is a
16 provision in state law that says you can't charge TOT on time
17 share units.

18 EXECUTIVE DIRECTOR DOUGLAS: Thank you for
19 answering your question.

20 COMMISSIONER REILLY: So, I don't know what that
21 does to your staff recommendation, that is why I am asking?
22 for the staff discussion.

23 There is also a question that came up, in terms of
24 lease versus sale, in terms of city options on that, and can
25 staff clarify what that issue is? are there restrictions on

1 the city being able to lease, versus selling the property?
2 what is that about?

3 DISTRICT DIRECTOR SARB: With the change that they
4 are suggesting, there would not be restrictions on that.

5 COMMISSIONER REILLY: And, have you accepted that?

6 DISTRICT DIRECTOR SARB: Yes, that --

7 COMMISSIONER REILLY: Is that one of the ones you
8 accepted?

9 DISTRICT DIRECTOR SARB: -- is one of the ones we
10 accepted and have incorporated into our recommendation.

11 COMMISSIONER REILLY: Thanks.

12 And, I am assuming that the restrictions that we
13 have in here on the 15 percent and the 25 percent are site
14 specific? because we have done different percentages on
15 almost every project we've looked at.

16 DISTRICT DIRECTOR SARB: That is actually what is
17 being proposed by the city.

18 COMMISSIONER REILLY: I understand that, but I
19 just wanted to make sure that it is record that those are
20 site specific to this particular LCP Amendment.

21 DISTRICT DIRECTOR SARB: They are specific to this
22 LCP Amendment.

23 COMMISSIONER REILLY: On the affordable, we had
24 the same standard, as I recall, of \$100 back in 2002, and we
25 found that there were a number of shore-front facilities that

1 met that standard, two of them no longer do, and one has gone
2 to weekly rentals, but what do you do with market? I mean,
3 it does go up from time to time, and from year to year, and
4 if we don't, and we are staying with the same definition, I
5 don't know how we justify that, in terms of applying the same
6 criteria over several years without regard to any kind of
7 market changes.

8 **EXECUTIVE DIRECTOR DOUGLAS:** Well, that is the
9 dilemma, when you look at the mandate in the *Coastal Act* to
10 provide lower-cost visitor accommodations, what does that
11 mean, in terms of our demographics? and the fact that we have
12 a growing gap between the people that have, and the people
13 that don't, and this Commission is charged, I believe, with
14 the responsibility of trying to provide that lower-cost
15 accommodation, to the extent that it is possible, and that is
16 what we are wrestling with.

17 It is not the affordable housing component, in
18 terms of new affordable housing, it is overnight accommod-
19 ations, and I just don't know how you answer that question in
20 a way that fits a particular formula.

21 When we look at lower cost, one of the criteria
22 that we were talking about here was whatever the state per
23 diem is for hotels, which is about \$84.00 whether or not --

24 **COMMISSIONER REILLY:** Which we regularly exceed in
25 most areas, wouldn't you say?

1 **EXECUTIVE DIRECTOR DOUGLAS:** Yes, but the base
2 rate is \$84.00. But, whether that is really lower cost --
3 and that is why we are focusing on the kinds of facilities
4 that would be provided, which, by the nature of the facility,
5 are lower cost, whether they are campground, or hostels, or
6 cabin kind of uses, as opposed to hotels.

7 **COMMISSIONER REILLY:** But, here we are focusing on
8 a hotel room, specifically, and I am just suggesting that if
9 you pick a number you can't necessarily sit on that number
10 for 5 or 10 years and hold people's feet to the fire on the
11 same number, because that is just not reality.

12 **EXECUTIVE DIRECTOR DOUGLAS:** Right.

13 **COMMISSIONER REILLY:** We have got to figure out a
14 different way to do it.

15 This case is so different from Encinitas, in my
16 mind, because of the differences in the community, and
17 basically the plethora of relatively affordable accommod-
18 ations, you know, in close proximity to the shore, that I am
19 having a hard time finding a nexus when staff says that the
20 only reason they are supporting this condo hotel is because
21 of the low-cost accommodations in the area.

22 I mean, we have certainly approved condo hotels in
23 areas where there are must less, by way of low-cost
24 accommodations than we have here, and we have a number of
25 cases that we know that is true, so that can't be the only

1 reason why we approve these things.

2 But, the nexus for requiring these fees seems more
3 remote here than almost any other community that I've seen,
4 in terms being able to justify it, because of all of the
5 near-shore and near-beach accommodations that are relatively
6 affordable.

7 So, I am just having a hard time with that one,
8 and I'll be happy to listen to the other Commissioners about
9 it.

10 **CHAIR KRUER:** Okay.
11 Commissioner Hueso.

12 [MOTION]

13 **COMMISSIONER HUESO:** Did you get the letter? the
14 letter?

15 I move that the Commission reject the implement-
16 ation program amendment for the City of Oceanside as
17 submitted, and recommend a "Yes" vote.

18 **CHAIR KRUER:** Is there a "second" to Commissioner
19 Hueso's motion?

20 **COMMISSIONER SHALLENBERGER:** Second.

21 **CHAIR KRUER:** Seconded by Commissioner
22 Shallenberger.

23 Would you like to speak to your motion,
24 Commissioner Hueso?

25 **COMMISSIONER HUESO:** Yes.

1 I think, in terms of coming to an area where we
2 can incorporate some staff recommendations, and listening to
3 the applicant, in terms of some of their issues, at a later
4 motion I think we can come up with a motion that would suit
5 this project, and get it to move forward.

6 So, my interest in making this motion is to get to
7 a motion where we can accept some modifications.

8 CHAIR KRUER: Okay, and what --

9 COMMISSIONER HUESO: I recommend a "Yes" vote.

10 CHAIR KRUER: Okay.

11 COMMISSIONER HUESO: And we will have to vote on
12 that to get to the next motion?

13 COMMISSIONER REILLY: No, actually --

14 CHAIR KRUER: No, you don't.

15 COMMISSIONER REILLY: -- you need to do amendments
16 to your motion now.

17 CHAIR KRUER: First -- you don't want to vote on
18 this.

19 COMMISSIONER HUESO: Okay, then I will withdraw my
20 motion.

21 CHAIR KRUER: No, you don't have to withdraw your
22 motion.

23 COMMISSIONER REILLY: No, I think --

24 EXECUTIVE DIRECTOR DOUGLAS: Mr. Chairman, you
25 need to vote to reject it first, and then you vote to --

1 **CHAIR KRUER:** And, then, the second motion he can
2 do it --

3 **EXECUTIVE DIRECTOR DOUGLAS:** -- to approve and
4 accept with modifications.

5 **COMMISSIONER HUESO:** That is what I am doing.

6 **COMMISSIONER SHALLENBERGER:** Yes, you are doing it
7 right.

8 **COMMISSIONER HUESO:** Recommend a "Yes" vote.

9 **CHAIR KRUER:** Okay, it has been -- the motion has
10 been made and seconded, and they are asking for a "Yes" vote.

11 Any further discussion on your motion,
12 Commissioner Hueso?

13 **COMMISSIONER HUESO:** No.

14 **CHAIR KRUER:** Commissioner Shallenberger?

15 **COMMISSIONER SHALLENBERGER:** No.

16 **CHAIR KRUER:** Okay.

17 Is there any objection to a unanimous "Yes" roll
18 call vote on this item?

19 [No Response]

20 Hearing none, the Commission hereby denies
21 certification of the Implementation Program Amendment
22 submitted by the City of Oceanside.

23 Your second motion.

24 [MOTION]

25 **COMMISSIONER HUESO:** The next motion is that I

1 move that the Commission certify the Implementation Program
2 Amendment for the City of Oceanside with the following
3 modifications.

4 **CHAIR KRUER:** No, then you --

5 **COMMISSIONER HUESO:** Okay, then as modified as
6 suggested in the staff report, recommend a "Yes" vote.

7 **CHAIR KRUER:** Okay, is there a "second" to that?

8 **COMMISSIONER REILLY:** Second.

9 **CHAIR KRUER:** Seconded by Commissioner Reilly.

10 Again, the maker and seconder are asking for a
11 "Yes" vote. Passage of this motion will result in the
12 certification of the Implementation Program Amendment with
13 suggested modifications, adoption of the following
14 resolutions and findings.

15 Okay.

16 **COMMISSIONER HUESO:** And, I would like to make an
17 amending motion.

18 **CHAIR KRUER:** That's right, and this is where you
19 do it.

20 [**MOTION**]

21 **COMMISSIONER HUESO:** And, I move that the
22 Commission omit Suggested Modifications Nos. 5, 6, 7, and 8,
23 and also move that the Commission accept the first part of
24 Suggested Modification No. 4, and reject the last sentence
25 which refers to the summer season requirement, and the

1 in-lieu fee.

2 CHAIR KRUEER: Okay, is that all in one motion? you
3 are not making those separately?

4 COMMISSIONER REILLY: I just can't --

5 COMMISSIONER HUESO: Somebody mentioned Modifica-
6 tion No. 9, and I haven't seen Suggested Modification No. 9.

7 COMMISSIONER REILLY: That is the flood modifica-
8 tion. I have some comments on that, too.

9 CHAIR KRUEER: Okay, Commissioner Reilly.

10 COMMISSIONER REILLY: As the "second" I would
11 just ask that we separate 5 and 6 from 7 and 8, and deal with
12 those as two separate issues.

13 CHAIR KRUEER: Okay.

14 COMMISSIONER HUESO: That's okay.

15 CHAIR KRUEER: So, 5 and 6 together? is your
16 recommendation as the "second"?

17 COMMISSIONER REILLY: Yes.

18 CHAIR KRUEER: Is that acceptable?

19 COMMISSIONER HUESO: That is acceptable.

20 COMMISSIONER REILLY: And, can we be clear about
21 what portion of 4 that covers? it gets rid of in-lieu fees,
22 and what else?

23 COMMISSIONER HUESO: Well, I'll point out the
24 sentence here, if I can just get to it.

25 COMMISSIONER REILLY: I thought the summer stuff

1 was already out.

2 EXECUTIVE DIRECTOR DOUGLAS: As I understand it
3 right now, the amending motion is just to delete Suggested
4 Modification 5 and 6.

5 COMMISSIONER REILLY: I heard portions --

6 CHAIR KRUEER: Commissioner Reilly heard, correctly

7 --

8 COMMISSIONER REILLY: -- portions of 4 relating to
9 in-lieu fees?

10 CHAIR KRUEER: Yes, it has been changed though.
11 The "seconder" made the suggestion, and the maker of the
12 motion agreed with that, that it is just 5 and 6 at this
13 time.

14 COMMISSIONER REILLY: All right.

15 CHAIR KRUEER: Okay.

16 Would you like to speak to that motion?

17 COMMISSIONER HUESO: Yes.

18 CHAIR KRUEER: Commissioner Hueso.

19 COMMISSIONER HUESO: I think, in hearing some of
20 the testimony today, I think we are looking at a community
21 here that is very unique in California, and I think our
22 Executive Director is absolutely correct. When we see
23 projects here at the Coastal Commission, most of them are in
24 welfare coastal communities that are building these large
25 homes, these visitor accommodations that are not really

1 accessible to everyone in the community, and this is
2 something that we see every day of all of our hearings.

3 And, in cities like Oceanside and Imperial Beach,
4 we don't have this situation occurring. These are
5 communities that are blighted, that allow for the creation of
6 a redevelopment area because they have a condition of blight.
7 They have conditions that, without government intervention,
8 there is no economic development.

9 And, it is very rare that you can locate a, you
10 know, diverse visitor-serving industry in areas that only
11 accommodate only certain uses, and I think that has been true
12 of Imperial Beach, as well. They have been trying to develop
13 a higher-end hotel in their community, and they have a
14 redevelop area, as well, and it has been very difficult to
15 do.

16 In other areas they don't have a problem bringing
17 in higher-end hotels, because the property values and the
18 lack of blight, and the economic situations allow that, and I
19 am very sympathetic to that, having worked in a community
20 that is a coastal community that faces blighting issues. To
21 create higher-end uses, to create higher-end homes, is very,
22 very hard to do, and I think Oceanside fits in that realm.

23 I think it really isn't our role to look at the
24 financial issues, as the Coastal Commission, but I think we
25 need to look at the conditions that exist, in making a

1 decision, and determination that may effect access issues in
2 these communities.

3 I think about lower-income families that get
4 married, our lower-income couples that get married, and they
5 can't afford honeymoons, they can't afford to go out of
6 state, or leave their city in many occasions, and what they
7 can afford is to go to their local hotel. I mean, that
8 happens in our city. I see that happen a lot, where they
9 have a weekend honeymoon, or maybe a week at kind of a beach
10 front hotel that is higher end, and I think Oceanside should
11 be able to serve that portion of the community that wants to
12 visit a high-end hotel in their own community for the sake of
13 having an opportunity of being in a very, very nice hotel,
14 beach front hotel that wouldn't require expensive
15 transportation arrangements.

16 I think I have more things to say on this issue,
17 but in terms of the project, itself, we are approving a site-
18 specific amendment.

19 And, I just want to thank the City of Oceanside
20 for pursuing this process in the spirit of transparency,
21 because I heard some comments that -- or some thoughts that
22 maybe you didn't need to go through this in building your
23 hotel because it complied with the current LCP. And, I think
24 that that really shows me a lot about your willingness to go
25 through this very difficult process to make sure that your

1 project conforms entirely within the spirit of the LCP.

2 The fact that you have a feasibility analysis,
3 requiring and looking at all of these considerations,
4 financially, and coming up to the conclusion that this
5 project requires a \$27 million subsidy. That is testament to
6 the fact that you are inundated with lower cost accommod-
7 ations, and whenever that situation does exist, it is harder
8 to introduce a different type of use into an area.

9 And, I think that that is not really speaking to
10 the financial aspects of it. It really points out a
11 condition that exists in Oceanside that makes it very
12 difficult to introduce these uses.

13 So, it justifies, you know, having a different
14 kind of visitor accommodation that will really appeal to
15 a different part of the community where I think it will
16 create a health balance for coastal accommodations.

17 **CHAIR KRUER:** As the "second" of the motion,
18 Commissioner Reilly, would you like to add to that.

19 **COMMISSIONER REILLY:** Just briefly, Mr. Chair.

20 I think we need to recognize that one of the
21 things you do in a redevelopment area is you redevelop, and
22 there may come a time when there is a significant danger of
23 losing near-shore low-cost accommodations in Oceanside. I
24 certainly don't think we are there yet, and I think that we
25 have plenty of time between now and whenever that happens to

1 do what we need to do which is necessarily preserve it.

2 I also think the best way to preserve it is not
3 through fee schedules, it is through simply what we approve
4 and don't approve, in terms of development in the city within
5 the coastal zone.

6 So, I don't think the fee thing works, and I think
7 that there are other tools that we have to insure that we
8 maintain low-cost visitor-serving in Oceanside, but they
9 certainly have a surplus of it, at the present time.

10 **CHAIR KRUER:** Commissioner Hueso.

11 **COMMISSIONER HUESO:** I just wanted to say one last
12 thing.

13 I serve a coastal community that also has some
14 very difficult financial constraints, and we have been able
15 to produce affordable housing using redevelopment money.
16 And, I just want to send a message to the leaders of
17 Oceanside to really look at the possibilities that do exist
18 out there. We have been able to create four projects within
19 the coastal zone, some of them funded with 9 percent tax
20 credits, some with 4, and 9 percent is still a tool that you
21 can use, and I would really encourage you to use your
22 affordable housing set aside monies in the area to really
23 make an effort to build affordable housing in the coastal
24 area. It can be done. We've done it with 4 projects, and we
25 are doing many more in our city, in different parts, so it

1 would really be a good reflection on you, as you continue to
2 redevelop your neighborhoods, and you come to the Coastal
3 Commission in the future with future projects, if you do make
4 an effort to invest your 20 percent set aside within the
5 coastal zone.

6 **CHAIR KRUER:** Thank you, Commissioner Hueso.
7 Commissioner Blank.

8 **COMMISSIONER BLANK:** Thank you, Chairman Krueer.
9 Just a couple of questions for staff.

10 When I read the staff report, and I am just trying
11 to get this for the record, and for my understanding because
12 I was a bit confused. You know, usually the disagreements
13 between staff and applicants are kind of shades of gray, but
14 this disagreement seems to be about 96.6 percent disagree-
15 ment, so I am just trying to understand -- and correct me if
16 I am wrong -- so I will go through this quickly.

17 When I read the staff report, they said the LCP
18 requirement was for 375 lower-cost hotel and motel units and
19 220 recreational vehicle camping sites with 20 percent, or 75
20 units in shore-front locations, is that correct? did I read
21 that correctly?

22 **DISTRICT DIRECTOR SARB:** It is 20 percent in
23 shore-front locations, yes, that is correct.

24 **COMMISSIONER BLANK:** And, that number is 75, if
25 you do the rough math, is that correct?

1 **DISTRICT DIRECTOR SARB:** That's correct.

2 **COMMISSIONER BLANK:** And, the redevelopment
3 director in the city have made the point -- and excuse me if
4 I am off by a couple of units -- they have concluded that
5 there are 480 rooms of low-cost units, and this is where
6 there are 90.6 percent of hotel rooms are affordable at the
7 shore front, but we seem to be stuck on the definition of
8 what shore front is. I think that is the issue between near
9 shore, and shore front? Is that the, kind of the
10 distinction, between the argument about it.

11 **DISTRICT DIRECTOR SARB:** That is one of the plans
12 the city brought up, yes.

13 **COMMISSIONER BLANK:** No, no, but is that the
14 distinction between the 75 units which we say we need, and
15 the 480 units which they are claiming are low-cost units in
16 the shore front. Is that your understanding?

17 **DISTRICT DIRECTOR SARB:** Their understanding is
18 that up to Coast Highway should be considered shore front.

19 **COMMISSIONER BLANK:** Thank you.

20 **DISTRICT DIRECTOR SARB:** But, that is not our
21 position.

22 **COMMISSIONER BLANK:** Great, where is the
23 definition of shore front?

24 **DISTRICT DIRECTOR SARB:** I would say that in the
25 City of Oceanside's case, it would be on the inland side of

1 Pacific Coast Highway, where there is a bluff that goes down
2 to the beach on the seaward side of the Coast Highway, and
3 then in the area where there is the strand, there is clearly
4 development immediately adjacent to the beach, and on the
5 shore front.

6 **COMMISSIONER BLANK:** But, is there a written
7 definition of shore front?

8 **DISTRICT DIRECTOR SARB:** No, there is not.

9 **COMMISSIONER BLANK:** So, what we have here are two
10 groups with two interests, obviously us, the Commissioners
11 and staff, and the applicant who are using this ambiguous
12 definition. I mean, have we ever defined that anywhere else,
13 in any other city? or there is no regulation? I am just
14 trying to understand.

15 **EXECUTIVE DIRECTOR DOUGLAS:** You know, we have
16 talked about it in other areas, and we have looked at
17 properties, or areas, that are fronting the beach, or the
18 shoreline. In this case, the definition of going all the way
19 back to the Pacific Coast Highway, we don't consider that all
20 shore front. So, it is a call you make in a particular area.

21 **COMMISSIONER BLANK:** Because, my logic is if I
22 agree with your findings that your shore front doesn't
23 include those houses, then you could figure out if we do need
24 an in-lieu fee, but if I disagree with your findings that
25 there is no low-cost housing, then -- at least for me -- the

1 applicant and the city and the applicant's market survey has
2 kind of satisfied that need. I mean, does that logic make
3 sense?

4 **EXECUTIVE DIRECTOR DOUGLAS:** Yes, if you are
5 looking at lower-cost overnight accommodations.

6 **COMMISSIONER BLANK:** Great, okay, and those are
7 just my questions, thank you.

8 **CHAIR KRUER:** Thank you, Commissioner Blank.

9 I'll go to -- I'll weigh in on this. Let me go to
10 a couple of other Commissioners, first, and then I would like
11 to make some comments myself.

12 Commissioner Wan, and then Commissioner Burke.

13 **COMMISSIONER WAN:** Before I make some more general
14 comments, I have a question of staff.

15 In the addendum that we got -- this is where
16 Suggested Modification No. 9 is, by the way, Commissioner
17 Hueso -- it talks about what is allowed in the flood plain, I
18 believe, and it talks about landscaping, and et cetera. I
19 don't have the original LCP, if there is someplace where, for
20 example, it talks within the first 50 feet of required
21 100-foot wetland buffer zone, and since we are talking about
22 landscaping, I will bring up my favorite issue. Is there
23 some place in here that prohibits the use of invasives? We
24 are talking about a flood plain, riparian habitat, wetlands,
25 I didn't see anything in the staff report, but since I don't

1 -- since this is an amendment, I am not sure that that
2 language exists any place, and maybe somebody from the city
3 can come up and answer that question?

4 DISTRICT DIRECTOR SARB: I am not aware of any
5 specific provisions elsewhere in the LCP that would prohibit
6 invasive species, and so that is something that we could
7 incorporate into this language, typical as to the type of
8 requirement we have been doing recently.

9 COMMISSIONER WAN: Can a representative of the
10 city come up?

11 Do you understand what I am saying here?

12 MS. MC VEY: Commissioner Wan, if I understand
13 what you are saying, you would like add a provision that says
14 within a 50-foot --

15 COMMISSIONER WAN: No, in general, in this area,
16 as it relates to the use of plantings, that invasive species
17 not be utilized, and I think that is something that the
18 Commission has pretty much been doing everywhere.

19 COMMISSIONER REILLY: Nope native.

20 CHAIR KRUER: Nope native.

21 MS. MC VEY: Commissioner Wan, yes, we can do
22 that. That is no problem.

23 COMMISSIONER WAN: No, I am not limiting it to
24 natives, and the reason is because they have lawns in here,
25 and grass, and you can't limit it to the use of natives. I

1 am talking about invasive species. There is a difference,
2 okay.

3 MS. MC VEY: Can I just consult.

4 [Pause]

5 The city manager has just informed me that the
6 MHCP already have that provision in it, and that we would not
7 allow invasives.

8 COMMISSIONER WAN: Okay, so, but you wouldn't
9 object to having that?

10 MS. MC VEY: No, we wouldn't.

11 COMMISSIONER WAN: All right, thank you.

12 That takes care of a very minor point, but one
13 that I had to raise.

14 I am just going to make a general statement, and
15 we are spending a lot of time arguing about mitigation fees
16 for low-cost visitor-serving facilities. I know this
17 Commission has allowed condos in the past, condo hotels. I
18 am not sure how much we've allowed in the way of time share
19 hotels, but I personally have a problem with them, because
20 they do limit the amount of rooms that are available to the
21 public, to the general public. It is getting to the point,
22 particularly here where we are now going to time share units,
23 where in order -- it is going to get to the point where in
24 order to rent a room on the coast, you are going to have to
25 wind up being able to buy a room on the coast, and I am very

1 concerned about that.

2 I am also concerned about everybody waiving around
3 this condition that says, well, you know, we are going to
4 have 375 rooms are reserved for lower-cost visitor serving,
5 but that is a condition I don't see how it is ever
6 enforceable. You can't just allow the conversion of
7 everything, and then when you get down to 375 rooms, just
8 stop allowing it. You have to do something in the process of
9 getting there.

10 I don't see how that is an enforceable condition,
11 frankly. It may be in the LCP, but I don't see how you deal
12 with it, unless you really start to deal with it as you go.
13 It is not fair to do to just the last guy in line, and say,
14 okay everybody else got to convert, now there are only 375
15 rooms left, you don't get to convert. I just don't think
16 that that is an enforceable provision. And, as the result of
17 all of this I am not going to be able to support this.

18 **CHAIR KRUER:** Thank you, Commissioner Wan.

19 Commissioner Burke, and then Commissioner Kram.

20 **COMMISSIONER BURKE:** I have just a question of the
21 city, for my own clarification. If I could get somebody from
22 the city to come up?

23 **CHAIR KRUER:** Commissioner Burke has a question
24 for you.

25 **COMMISSIONER BURKE:** Last month when we met in San

1 Diego, Commissioner Wan and I drove back together, and it was
2 my -- I thought that I saw a hotel being built in Oceanside.
3 Is that true? It was just on the ocean side of the freeway,
4 but probably a half a kilometer from the ocean. And, it was
5 about 450 or 550 -- just a guesstament -- room hotel. Was
6 that in Oceanside?

7 **MS. MC VEY:** Commissioner, no, there is not a
8 450-500 room hotel.

9 **COMMISSIONER BURKE:** Is there a hotel under
10 construction?

11 **MS. MC VEY:** We have a Holiday Inn Express under
12 construction, but maybe what you saw, we have a Wyndham time
13 share project that contains 168 units, of which 32 are time
14 shares -- it is a 168 units, of which 32 are hotel rooms.

15 **COMMISSIONER BURKE:** And, if you are traveling
16 north, it is on the lefthand side of the freeway?

17 **MS. MC VEY:** You would --

18 **COMMISSIONER BURKE:** It is on the ocean side?

19 **MS. MC VEY:** It is on the ocean side, right at the
20 pier at Oceanside. Now, on the left, if you are traveling
21 north, by the harbor, a rather colorful one, that is not it?

22 **COMMISSIONER BURKE:** This was bigger than 168
23 rooms, but the sign said Oceanside, but you know, those signs
24 aren't always accurate, anyway.

25 **MS. MC VEY:** I wish we had a 450-hotel room, but it

1 is not --

2 **COMMISSIONER BURKE:** Okay, I happen to agree with
3 Commissioner Wan, there is no way, this number of rooms, you
4 know, it is tough to enforce, but I think, after all of the
5 time you have put in on this, I don't think you ought to be
6 punished, either, so I am not sure what to do about that.

7 I always agree with the Chairman, that is how I
8 get to sit next to Kram.

9 But, you know, I think that as it relates to
10 affordable housing, Ben Hueso is going to be my new poster
11 boy, because I think that there are ways that you can build
12 affordable housing at the ocean, and I think the basis of the
13 whole problem is like Cour [sic.] says, it is the land
14 cost, accumulating the land. But, there is land along the
15 ocean that doesn't bow to private industry, private people,
16 which, if you really had the desire to build affordable
17 housing could be made available, as there is all kinds of
18 railroad land, all of those right-of-ways that run down the
19 coast, which with today's building techniques could provide
20 all kinds of affordable housing, so it is something that we
21 ought to keep in mind.

22 Anyway, I am glad to hear that hotel was not in
23 Oceanside, because it was, obviously, a -- I don't even know
24 if you remember seeing it, I pointed it out to you at the
25 time, but it was obviously a luxury hotel, and I just

1 couldn't figure out if the two were going on in the same city
2 at the same time.

3 **CHAIR KRUER:** Commissioner Kram.

4 **COMMISSIONER KRAM:** Thank you, Chairman.

5 I agree with Commissioner Burke, in terms of the
6 way he was talking about affordable accommodations, and hotel
7 rooms. I just think we need to adjust our thinking, in terms
8 of what we mean by affordable, and the definition changes
9 depending on the location, what is affordable in Monarch Bay
10 may not be affordable elsewhere, and maybe we need to spend
11 some time figuring that out.

12 I wanted to talk about something that was raised
13 by the city, and ask staff about what was the rationale
14 behind the idea that the hotel and time share operator had to
15 be the same person?

16 **DISTRICT DIRECTOR SARB:** The hotel and?

17 **COMMISSIONER KRAM:** And the time share operator,
18 needed to be the same.

19 **DISTRICT DIRECTOR SARB:** Hotel and the -- the idea
20 behind that is that when the units are not occupied by the
21 owner, they are made available to the general public, in the
22 same way as the traditional hotel units are, and so to have
23 control over that the hotel operator is the booking agent.
24 The owners are able to go ahead and market their units, but
25 the central booking is through the hotel operator. And,

1 again, that is to try to maximize the availability of the
2 units to the general public.

3 CHAIR KRUER: Mr. Douglas.

4 EXECUTIVE DIRECTOR DOUGLAS: Mr. Chair, the
5 Commission did wrestle with this, in the context of another
6 project. I think it was Encinitas? or where? Huntington
7 Beach, but there was another one where the Commission allowed
8 -- I think it was Encinitas -- where the Commission allowed a
9 condominium hotel and it required that it be one entity, so
10 that the enforcement of the time restrictions, and the
11 availability, or the ability to market was in the hands of
12 the entity that could be held accountable for failure to meet
13 those requirements.

14 And, in Encinitas, I believe the developer of the
15 hotel came back and tried to change that, to separate the
16 two, the operating versus the construction, and I don't
17 believe that was permitted, just because of this very reason,
18 how do you enforce the component that makes it available and
19 marketable for the period of time when it is not occupied by
20 the owner.

21 COMMISSIONER KRAM: Okay, thank you.

22 CHAIR KRUER: Okay, is that it, Commissioner Kram?

23 COMMISSIONER KRAM: Yes.

24 CHAIR KRUER: Okay, I would like to make a few
25 comments on the suggestion -- the motion that is on the floor

1 is, in their redevelopment area, their \$27 million commit-
2 ment is only part of their commitment as a private-public
3 partnership, and the other part is their lease, and I am sure
4 if we saw the lease, it is a very sweet lease, and in fact to
5 make and encourage, so they really have more than a \$27
6 million contribution, I would think, number one.

7 Number two, It is very important to remember that
8 at this time, with the credit markets they way they are, and
9 the costs, even though T-bills have gone down, and credit
10 spreads are going up dramatically. I applaud the city and
11 the developer that there are no 3-star, 4-star, or 5-star
12 hotels in Oceanside, and this is a 4-star hotel, and I am
13 just amazed that they have that kind of commitment, and
14 commitment to desire to build a 4-star hotel, and they have a
15 developer that is willing to do it, but it isn't that cost,
16 whether it is \$3 million, or more, whatever. That cost --
17 you don't look at the total cost of your project, you look at
18 what it does to your equity requirement, and that equity
19 requirement, a lot of times then, will knock a project out to
20 be economically feasible, et cetera.

21 Lenders, traditionally, you change the IRR, the
22 calculation of what that does, it has a dramatic effect on
23 the bottom line, I can tell you, when you have equity
24 requirements in there, and to do that to a project.

25 And, I just think -- Commissioner Reilly talked

1 about it -- we are struggling because we have had 3 or 4
2 projects like this, but this is the one that really is
3 different than the other ones. There is no question in my
4 mind. In San Diego County, along the coast, there is as much
5 affordable overnight rooms in the Oceanside area than any
6 place. Now, the city has said, from their survey, it is over
7 90 percent.

8 Well, I for one don't want to be one that wants to
9 add on, make this project maybe become infeasible, or make it
10 more difficult. That is what they are trying to achieve, and
11 I really think that we should support the motion, and we
12 should, in this case, at least reward them for what they are
13 doing under their private-public partnership, and to the
14 extent they are going, and their developer, too. I don't how
15 he is doing it, but they are doing it.

16 So, I am going to support the motion.

17 Mr. Douglas.

18 **EXECUTIVE DIRECTOR DOUGLAS:** If I may, just before
19 you bring this to a vote, I just want to make clear to the
20 Commission that we are talking about several things here.

21 One is we are talking about a project-driven
22 amendment, and I think your comments addressed that. And, we
23 agree and recognize that there is a uniqueness here because
24 of this public-private partnership. So, it may well be, that
25 you could say, "Okay, we don't think that in-lieu fees should

1 apply in this case."

2 But, then, you have the larger amendment that
3 applies to the larger redevelopment area, and within that,
4 and you are locking in the LCP here for however long it takes
5 for the city to come back to want to change it. So, you are
6 making long term decisions here.

7 So, as you look at the rest of the amendment area,
8 there are two elements of that, that I think are important to
9 consider. One is whether or not you agree with the staff for
10 an in-lieu fee when you have a conversion of an existing
11 lower-cost accommodation, and that is the 50 percent rule.
12 Or, whether you want to just deal with new construction of
13 overnight accommodations, which is the 25 percent.

14 So, there are actually three components here. I
15 just throw it out there so that you understand it. Whether
16 or not you are interested in separating those off and
17 treating them separately, that is up to you. But, you are
18 making an LCP decision here, that is going to lock in a
19 decision for the foreseeable future.

20 And, I think the notion of us having the
21 opportunity to address affordable lower-cost accommodations
22 later on is illusory, because that really depends on what the
23 city wants to do, in terms of amending the LCP. This
24 Commission doesn't have the authority to go back and change
25 it later.

1 So, I just throw that out, so that you can
2 deliberate with that in mind, too, thank you.

3 **CHAIR KRUER:** Commissioner Burke.

4 **COMMISSIONER BURKE:** To make sure I understand
5 what the Executive Director is saying, you would like for us
6 to consider, is to modify the existing amendment to be
7 restricted to new construction?

8 **EXECUTIVE DIRECTOR DOUGLAS:** That certainly is
9 outside of this specific project area, yes, that is a
10 possibility, and I think that would be a better way to
11 protect affordable housing -- I mean, lower-cost overnight
12 accommodations.

13 **COMMISSIONER BURKE:** Would the maker of the motion
14 accept that?

15 **COMMISSIONER HUESO:** That gets to another
16 discussion on rehabing older hotels.

17 **COMMISSIONER BURKE:** Right, but that is not before
18 us today, and this is the project. And, it quite frankly,
19 makes a difference on whether I vote for it or against it.

20 **COMMISSIONER HUESO:** That makes a difference in
21 your mind?

22 **COMMISSIONER BURKE:** So, I don't care what you do

23 --

24 **COMMISSIONER HUESO:** But, maybe you could --

25 **COMMISSIONER BURKE:** -- about it. What I am going

1 to do --

2 **COMMISSIONER HUESO:** -- speak more specifically,
3 in terms of it applies, because I have concerns about the
4 projects themselves not being able to be upgraded --

5 **COMMISSIONER BURKE:** And, I don't think this would
6 prohibit them at all from being upgraded. I just think they
7 would all have to come back here and be evaluated related to
8 in-lieu fees? Am I correct or incorrect?

9 **COMMISSIONER HUESO:** Actually, that doesn't sound
10 bad, but you are suggesting this on what section?

11 **EXECUTIVE DIRECTOR DOUGLAS:** Can I explain what I
12 think Commissioner Burke was just saying --

13 **COMMISSIONER HUESO:** I don't understand.

14 **EXECUTIVE DIRECTOR DOUGLAS:** -- following up to
15 what I was suggesting.

16 It would be to allow the project specific
17 component of the LCP --

18 **COMMISSIONER HUESO:** Under what modification are
19 we talking about, 5 or 6?

20 **EXECUTIVE DIRECTOR DOUGLAS:** That would be No. 6.
21 It would allow that to go forward with no in-lieu fee. In
22 other words, that would be eliminated.

23 It would eliminate the provision of converting
24 existing lower-cost overnight accommodations, with the 50
25 percent rule, that would be eliminated.

1 But, it would apply the in-lieu fee requirement to
2 new construction, in the redevelopment area, outside of this
3 specific project, to 25 percent of those units.

4 **COMMISSIONER HUESO:** To new construction, --

5 **EXECUTIVE DIRECTOR DOUGLAS:** New construction.

6 **COMMISSIONER HUESO:** -- or to conversions?

7 **EXECUTIVE DIRECTOR DOUGLAS:** New construction.

8 **COMMISSIONER BURKE:** Well, outside of this
9 project.

10 **EXECUTIVE DIRECTOR DOUGLAS:** Outside of this
11 project, that's right.

12 **COMMISSIONER ACHADJIAN:** Shouldn't that be a
13 separate issue?

14 **COMMISSIONER HUESO:** Right now, I'll tell you why
15 I would have a problem with that.

16 Right now, in terms of new construction. Maybe on
17 already built units, we can apply an in-lieu fee as you
18 mention, but on new construction, we already see that this
19 project doesn't pencil out. It is new construction. Every
20 time you are going to propose a new construction in this
21 area, it is not going to make sense financially without the
22 city's involvement and intervention financially, so I don't
23 see that this -- we can make this modification, and just kill
24 all development in the area of new hotels.

25 **COMMISSIONER BURKE:** It didn't kill this one. It

1 may not kill the next one. You just evaluate them each on
2 their own individual basis.

3 **COMMISSIONER HUESO:** But, you are saying you are
4 going to add an in-lieu fee to new --

5 **COMMISSIONER BURKE:** It is up to the Commission,
6 and we don't have to do that.

7 **COMMISSIONER HUESO:** -- construction --

8 **CHAIR KRUER:** See I was -- let me say this.

9 **COMMISSIONER BURKE:** It will still come to us.

10 **COMMISSIONER HUESO:** I am not understanding where
11 you are coming from.

12 **COMMISSIONER BURKE:** It comes to us, and we can
13 make a judgment.

14 **CHAIR KRUER:** They are going to exempt this
15 project that is in front of us now, but they want to, in the
16 LCP, put in in-lieu fees having to do with converting any
17 existing units that meet the test of 50 percent or greater,
18 and then also they want to attach it to new projects.

19 **COMMISSIONER HUESO:** But, that is not what
20 Director --

21 **CHAIR KRUER:** And, I have a problem with that. I
22 mean, again we are right back -- what you are proposing here
23 is that, one thing is to talk about existing conversions, but
24 then you are going back -- you know, if you have got a
25 problem with this hotel, and you are in the redevelopment

1 area, and you are not on the ocean, you are back a couple of
2 blocks, 2 or 3 blocks, economics are even worst, and so you
3 are proposing in-lieu fees, and this is the kind of thing
4 that doesn't make common sense.

5 **COMMISSIONER REILLY:** Mr. Chairman, as "seconded"
6 I thought the one thing that we had all agreed on in the
7 condo hotel discussion, in all of the previous projects, was
8 that we weren't going to allow existing hotel rooms to be
9 converted to condo hotels. It sounds like that is what you
10 are allowing here. You are suggesting we should allow that.

11 If you don't, you are not putting restrictions on
12 conversions, but you are putting it on new, I mean, what --

13 **EXECUTIVE DIRECTOR DOUGLAS:** I was just saying
14 there are three components that I am suggesting that you
15 consider.

16 One of them is conversion of existing; one is new
17 construction in the development area outside of this specific
18 project; and the third is this specific project.

19 So, if you are -- I don't know how you want to
20 look at it, but we need some guidance on all three of those.

21 **COMMISSIONER REILLY:** Well, let ask this.

22 Where have we applied these fees previously to new
23 construction, and are we basically saying we are going to do
24 that up and down the coast?

25 **EXECUTIVE DIRECTOR DOUGLAS:** We have applied the

1 in-lieu fee to new construction, in fact, you are going to
2 have another project on this agenda that is going to have
3 that.

4 What we are saying here is that this specific
5 project that you are talking about, because of the public-
6 private partnership, if you don't feel that this -- and as
7 you indicated, what you see as existing stock, that it
8 shouldn't apply there, then that is the call you have to make

9 Then, the question is, okay, what do you do in the
10 rest of the area? do you apply the restriction of condo
11 conversion to existing units that are going to be converted,
12 and have an in-lieu fee required there? or are you going to
13 require it for new construction in that area? or neither?

14 **COMMISSIONER REILLY:** When you talk about existing
15 units to be --

16 **EXECUTIVE DIRECTOR DOUGLAS:** Right.

17 **COMMISSIONER REILLY:** -- converted to what?

18 **EXECUTIVE DIRECTOR DOUGLAS:** Well, what we have
19 heard, and what I heard from one of the city council members,
20 is that there are existing lower-cost motels that are being
21 converted to condominiums, and the question is --

22 **COMMISSIONER REILLY:** I heard that on the strand.
23 I didn't hear it that in the redevelopment area.

24 **EXECUTIVE DIRECTOR DOUGLAS:** Well, you could limit
25 it to a particular geographic area.

1 I am trying to figure out how to wrestle with --
2 **COMMISSIONER REILLY:** All I said, though, is I
3 thought we had agreed that the one condo conversion we
4 wouldn't allow was to take existing hotel rooms and convert
5 them into condo units, and I thought we were clear on that
6 point, and it sounds like we are not clear on that point.

7 **CHAIR KRUER:** We are not clear, okay.

8 I want to --

9 Commissioner Wan, do you have a question?

10 **COMMISSIONER WAN:** Yes, I am trying to figure out
11 what he said here, it is very hard to follow.

12 And, I am trying to boil this down to the
13 difference between Suggested Modification 5 and Suggested
14 Modification 6, and maybe I am wrong, and maybe somebody can
15 explain that to me.

16 It looks to me like Modification 5 is the one that
17 deals with existing overnight accommodations, and in-lieu
18 fees -- and it doesn't say in-lieu fees. It just says -- it
19 talks about what you do if you are going to demolish existing
20 units, okay, and I think that is the one that everybody is
21 concerned about. They don't want to allow conversion of
22 existing units.

23 Modification 6 deals with new units, and so,
24 maybe, somehow, you need to separate those two in your
25 thinking, because I think that is what is happening now, is

1 we are mixing those two modifications. Maybe I am wrong, but
2 if you look at this, Modification 5 does not apply to this
3 hotel, okay? am I right? or am I wrong?

4 **COMMISSIONER REILLY:** Either one of them do.

5 **COMMISSIONER WAN:** Modification 6 does apply to
6 this hotel, because it is talking -- Modification 6 is the
7 one that is talking about in-lieu fees for new hotels. It is
8 a general one. It doesn't just apply to this hotel, but it
9 is the one that talks about in-lieu fees for new development.

10 Modification 5 talks about existing -- protection
11 of existing overnight visitor accommodations, and it may be
12 that in this discussion what you want to do is to separate
13 out that, and not eliminate Modification 5, but eliminate
14 Modification 6.

15 I am just trying to make it simpler. I don't know
16 if I am getting my point across.

17 **EXECUTIVE DIRECTOR DOUGLAS:** How you described it
18 is correct.

19 **CHAIR KRUEER:** Excuse me, Director Douglas.

20 Let me recognize the city first, for a minute, and
21 asked them to weigh in on this.

22 **MS. MC VEY:** Thank you, Mr. Chairman.

23 Number one, the LCPA before you already has a
24 provision that does not allow conversions of existing hotel
25 rooms to condo hotels, so that is included in it.

1
2 I also want to distinguish, so that we are all
3 clear about conversions, in general. I think what was
4 referred to earlier is that we do, along the beach, along the
5 strand, have some old beach cottages, and some of those are
6 being converted into other houses, so there has been
7 renovation of those homes, and there has been redevelopment
8 of some of those homes right on the strand, so that is
9 residential conversions, if you will.

10 The LCPA before you does not allow -- and it is
11 specifically states -- conversion of existing hotel rooms to
12 condo hotels, so Commissioner Wan is correct that these are
13 two separate issues. Modification No. 5, as proposed, as we
14 understand it -- trying to follow the conversation here --
15 does have a \$30,000 a door fee for redevelopment of existing
16 hotels.

17 And, if I may, give you an example. We have a
18 27-room Coast Inn. If they were to redevelop, it is a narrow
19 1-story building between two 2-story buildings, and if they
20 wanted to redevelop, that would be the redevelopment of an
21 existing motel. It is way much older.

22 Versus No. 6, what you are discussing -- and we
23 object to both of these -- is the \$30,000 a door on 25
24 percent of all new hotels, and both are problematic.

25 **CHAIR KRUER:** Okay.

Commissioner Blank.

1 **COMMISSIONER BLANK:** Can I ask the maker and
2 seconders of the amending motion if they could split their
3 motion into No. 5 and 6, and if not, I would like to make that
4 motion.

5 **COMMISSIONER REILLY:** Want to do them separately?

6 **COMMISSIONER BLANK:** Yeah, I would like to vote on
7 them separately, and if not, I'll make the motion.

8 **COMMISSIONER REILLY:** I have no problem.

9 **COMMISSIONER BLANK:** Okay, is that okay with you?

10 **COMMISSIONER HUESO:** Just do 5?

11 **COMMISSIONER BLANK:** Okay, okay.

12 **COURT REPORTER:** Please turn on your microphones.

13 **CHAIR KRUEER:** Okay, let's just take that up
14 separately -- excuse me. The maker and seconder have agreed
15 that they will take these two separately, Modification 5 and
16 6.

17 So, right now, then we will take up 5, and I will
18 call for the question, and that is that they are asking, the
19 maker and the seconder, that the Commission reject Suggested
20 Modification No. 5, and they are asking for a "Yes" vote.

21 Thank you, and, no --

22 **COMMISSIONER WAN:** Point of clarification.

23 **EXECUTIVE DIRECTOR DOUGLAS:** No.

24 **CHAIR KRUEER:** Point of clarification on it.

25 **COMMISSIONER WAN:** Okay, I just want everybody to

1 understand that this is a protection -- No. 5 deals with
2 existing overnight visitor serving. It does not deal with
3 new.

4 **CHAIR KRUER:** Clerk, call the roll, please, and
5 they are asking for a "Yes" vote.

6 **SECRETARY MILLER:** Commissioner Blank.

7 **COMMISSIONER BLANK:** For No. 5, no.

8 **SECRETARY MILLER:** Commissioner Burke?

9 **COMMISSIONER BURKE:** No.

10 **SECRETARY MILLER:** Commissioner Lowenthal?

11 **COMMISSIONER LOWENTHAL:** No.

12 **SECRETARY MILLER:** Commissioner Hueso?

13 **COMMISSIONER HUESO:** Yes.

14 **SECRETARY MILLER:** Commissioner Kram?

15 **COMMISSIONER KRAM:** No.

16 **SECRETARY MILLER:** Commissioner Neely?

17 **VICE CHAIR NEELY:** Yes.

18 **SECRETARY MILLER:** Commissioner Potter?

19 **COMMISSIONER POTTER:** Aye.

20 **SECRETARY MILLER:** Commissioner Reilly?

21 **COMMISSIONER REILLY:** Yes.

22 **SECRETARY MILLER:** Commissioner Shallenberger?

23 **COMMISSIONER SHALLENBERGER:** No.

24 **SECRETARY MILLER:** Commissioner Wan?

25 **COMMISSIONER WAN:** No.

1 **SECRETARY MILLER:** Commissioner Achadjian?

2 **COMMISSIONER ACHADJIAN:** Yes.

3 **SECRETARY MILLER:** Chairman Kruer.

4 **CHAIR KRUER:** Yes.

5 **EXECUTIVE DIRECTOR DOUGLAS:** Before you announce
6 the vote, I don't want anymore confusion, but I want to make
7 sure that it is understood what -- the motion was to reject
8 Modification No. 5, right?

9 **CHAIR KRUER:** Right, that is correct.

10 **EXECUTIVE DIRECTOR DOUGLAS:** Okay, all right.

11 **CHAIR KRUER:** So, we can announce the vote. It
12 was 6-6 wasn't it?

13 **SECRETARY MILLER:** The vote was 6 to 6.

14 **CHAIR KRUER:** So that failed, that motion fails.

15 **CHAIR KRUER:** Modification 6, again the maker and
16 seconder are asking the Commission to reject Suggested
17 Modification No. 6. Clerk please call the roll, and they are
18 asking for a "Yes" vote.

19 **SECRETARY MILLER:** Commissioner Burke?

20 **COMMISSIONER BURKE:** Yes.

21 **SECRETARY MILLER:** Commissioner Lowenthal?

22 [Discussion off microphones]

23 **COMMISSIONER LOWENTHAL:** Yes.

24 **COMMISSIONER ACHADJIAN:** They asking for a "Yes"?

25 **COMMISSIONER HUESO:** We are asking for a "Yes"

1 vote.

2 [Discussion off microphones]

3 **SECRETARY MILLER:** Commissioner Hueso?

4 **COMMISSIONER HUESO:** Yes.

5 **SECRETARY MILLER:** Commissioner Kram?

6 **COMMISSIONER KRAM:** Yes.

7 **SECRETARY MILLER:** Commissioner Neely?

8 **VICE CHAIR NEELY:** Yes.

9 **SECRETARY MILLER:** Commissioner Potter?

10 **COMMISSIONER POTTER:** Aye.

11 **SECRETARY MILLER:** Commissioner Reilly?

12 **COMMISSIONER REILLY:** Yes.

13 **SECRETARY MILLER:** Commissioner Shallenberger?

14 **COMMISSIONER SHALLENBERGER:** No.

15 **SECRETARY MILLER:** Commissioner Wan?

16 **COMMISSIONER WAN:** No.

17 **SECRETARY MILLER:** Commissioner Achadjian?

18 **COMMISSIONER ACHADJIAN:** Aye.

19 **SECRETARY MILLER:** Commissioner Blank?

20 **COMMISSIONER BLANK:** Yes.

21 **SECRETARY MILLER:** Chairman Kruer.

22 **CHAIR KRUER:** Yes.

23 **SECRETARY MILLER:** Nine, three.

24 **CHAIR KRUER:** Nine, three. That motion passes,
25 rejecting Modification No. 6.

1 **CHIEF COUNSEL SMELTZER:** I think it was 10 - 2.

2 **CHAIR KRUER:** What was the vote? is it 10 - 2?

3 **COURT REPORTER:** Mr. Chairman, I don't think all
4 Commissioners have their microphones on. I can't hear them.

5 **CHIEF COUNSEL SMELTZER:** Commissioner Wan ought to
6 use her mike, yes.

7 **COMMISSIONER REILLY:** Mr. Chairman, can we ask
8 staff, what provisions are in here, in different sections,
9 that specifically relate to in-lieu fees for the project
10 before us?

11 **EXECUTIVE DIRECTOR DOUGLAS:** Well, I think what we
12 can say is we can make the changes to conform to what you
13 just did, wherever it appears, so that there would be no
14 in-lieu fee in the area for new construction. Wherever those
15 appear, I mean, Sherilyn can go through it, but to save time,
16 I think you can do that.

17 **COMMISSIONER REILLY:** Part of the reason I am
18 asking is that Section 5 doesn't have an in-lieu fee. It has
19 a reference to one.

20 **EXECUTIVE DIRECTOR DOUGLAS:** Well, Section 5 you
21 kept.

22 **COMMISSIONER REILLY:** Pardon me?

23 **DISTRICT DIRECTOR SARB:** You are correct, Section
24 5 was referencing the in-lieu fee program that is also
25 applied in Section 6, which was rejected, so we would have to

1 incorporate into the suggested modifications somewhere to
2 conform to the Commission's action, the description of the
3 in-lieu fee that would be --

4 **COMMISSIONER REILLY:** Or, existing and not new.

5 **DISTRICT DIRECTOR SARB:** That is correct.

6 **COMMISSIONER REILLY:** And let me, if I might,
7 could I just ask another question?

8 Then, on Item 7 and 8 would you also eliminate the
9 "Z" area references to in-lieu, or modify those?

10 **DISTRICT DIRECTOR SARB:** Yes, those areas apply to
11 condo hotels and fractional units, so for new development the
12 provision for any in-lieu fees would be eliminated.

13 **COMMISSIONER REILLY:** All right, so we have taken
14 the fee stuff out of 7 and 8, as well?

15 **DISTRICT DIRECTOR SARB:** Yes.

16 [General Discussion]

17 **COMMISSIONER REILLY:** Mr. Chairman, just a comment
18 on our procedures.

19 **EXECUTIVE DIRECTOR DOUGLAS:** No, I feel like we --

20 [General Discussion]

21 **COMMISSIONER REILLY:** Mr. Chair, Mr. Chair.

22 **CHAIR KRUER:** Commissioner Reilly.

23 **COMMISSIONER REILLY:** Yes, thank you, if I still
24 have the floor, I do have a question on the flood control
25 provisions that were just added in the addendum.

1 As I understand it -- and I am from the Russian
2 River, so we deal with floods a lot -- as I understand it,
3 you are not allowing development in the flood plain, but you
4 are allowing fill? And, I will just tell you, in our county,
5 it is exactly the opposite. We have a no-net fill in the
6 flood plain, because you are having provisions in there
7 saying that you have got to prove that it is not going to
8 have some impact downstream. There is no way to prove that.
9 And, we do allow development in a flood plain, as long as the
10 bottom of the development is 18 inches above the 100-year
11 flood level.

12 So, I would just say that for what you are
13 restrictions are here, FEMA has, basically, asked us to do
14 exactly the opposite, so, they have asked for no net fill,
15 and they have asked for any development to be sited, you
16 know, higher than the 100-year flood plain. So, I am not
17 quite sure where these particular provisions came from.

18 **DISTRICT DIRECTOR SARB:** These provisions are the
19 existing provisions in the LCP, which is a very old LCP, but
20 we were just not going along with the city's request to
21 delete these provisions, so that is why they are standing the
22 way they are.

23 **COMMISSIONER REILLY:** Well, if you are going to
24 leave them in there, you might suggest that maybe somebody
25 have a conversation with FEMA, either our staff or their

1 staff, and stuff, and see what more current provisions they
2 are looking for.

3 **DISTRICT DIRECTOR SARB:** I know that for any flood
4 plain development, we do limit the amount of fill, and there
5 is that provision that it cannot adversely impact the flood
6 plain hydrology.

7 So, the idea is that only uses that are capable of
8 withstanding periodic flooding would occur, would be allowed
9 in the flood plain area.

10 **COMMISSIONER REILLY:** Okay, including gazebos, and
11 other kinds of structures like it. I mean, you are allowing
12 for fill within the flood plain, up to 3 feet, and that does
13 have hydraulic implications for other areas. There is no way
14 for it not to.

15 **CHAIR KRUER:** Thank you, Commissioner Reilly.
16 Commissioner Hueso, is there anything else?
17 amending motions?

18 **COMMISSIONER HUESO:** We have voted on 5 and voted
19 on 6 --

20 **COMMISSIONER ACHADJIAN:** And, 7, 8, and 4?

21 [MOTION]

22 **COMMISSIONER HUESO:** I want to move that the
23 Commission reject Suggested Modification No. 7 as provided by
24 staff, and accept the language provided by the City of
25 Oceanside in its December 7, 2007 letter.

1 **CHAIR KRUER:** Is there a "second" to Commissioner
2 Hueso's motion?

3 **VICE CHAIR NEELY:** Second.

4 **CHAIR KRUER:** Seconded by Vice Chair Neely.

5 As the maker of the motion, would you like to
6 speak to that, Commissioner Hueso?

7 **COMMISSIONER HUESO:** I just want to ask if every-
8 body has a copy of their letter? The December 7th letter
9 from the City of Oceanside? It in the packet.

10 **COMMISSIONER BURKE:** No, we don't have it over
11 here.

12 **COMMISSIONER KRAM:** No, we don't have it.

13 **COMMISSIONER ACHADJIAN:** Maybe you can put it on
14 the screen?

15 **COMMISSIONER HUESO:** Can we trail this motion, and
16 I'll make another motion while people get that letter.

17 **CHAIR KRUER:** Go ahead.

18 [MOTION]

19 **COMMISSIONER HUESO:** I move the Commission reject
20 Suggested Modification No. 8.

21 **COMMISSIONER ACHADJIAN:** It is No. 8?

22 **VICE CHAIR NEELY:** Second.

23 **CHAIR KRUER:** It has been moved by Commissioner
24 Hueso, seconded by Vice Chair Neely, and they are asking to
25 reject Suggested Modification No. 8, and asking for a "Yes"

1 vote.

2 Would you like to speak to that motion,
3 Commissioner Hueso?

4 COMMISSIONER HUESO: No.

5 CHAIR KRUEER: Vice Chair Neely?

6 VICE CHAIR NEELY: No, thank you.

7 CHAIR KRUEER: Okay.

8 Yes, Commissioner Reilly.

9 COMMISSIONER REILLY: In terms of the conditions
10 and restrictions that are listed in here, I went through
11 them, and it seems like they are very similar to what we have
12 done in the past. It seems like every time we see them, they
13 are slightly expanded, they are slightly longer, they are
14 slightly more complex.

15 My preference would be to stick with the real
16 clear ones, like we had at Long Point and Del, and in
17 Huntington Beach, but they are very similar to what we
18 required in those things. And, it basically is saying that
19 if, in fact, the condo hotel is a financing mechanism, and it
20 really is intended to be a hotel, which is what applicants
21 have been telling us. Then, we need to have conditions to
22 insure that it walks like a duck, and talks like a duck, and
23 acts like a duck, that these are the ways to do it, is to
24 make sure that it has these kinds of conditions, that it
25 actually functions as a hotel to the greatest extent

1 possible. And, we have been fairly consistent in putting
2 these conditions in on the projects before us, and I am a
3 little reluctant to make an exception in this case.

4 It was important for me to get the in-lieu fees
5 taken out of these things, but once that is out, I don't have
6 a problem with restrictions.

7 **CHAIR KRUER:** Commissioner Wan.

8 **COMMISSIONER WAN:** I am going to agree with
9 Commissioner Reilly.

10 Regardless of how you feel about time shares, this
11 Commission has been saying that, and as he said, the
12 applicants are saying the purpose of this was to enable them
13 to build a hotel. That is the only justification to allow it
14 to begin with, therefore, there are conditions necessary to
15 make sure it operates as a hotel, and if you take out
16 Modification 8, you don't have conditions to require that it
17 is operated as a hotel.

18 **CHAIR KRUER:** Okay, anybody else?

19 Commissioner Lowenthal, did you want to speak to
20 this? Okay.

21 Okay, then, let's call the roll. Again, the maker
22 and seconder are asking for a "Yes" vote on Modification No.
23 8.

24 **SECRETARY MILLER:** Commissioner Lowenthal?

25 **COMMISSIONER LOWENTHAL:** No.

1 **SECRETARY MILLER:** Commissioner Hueso?
2 **COMMISSIONER HUESO:** Yes.
3 **SECRETARY MILLER:** Commissioner Kram?
4 **COMMISSIONER KRAM:** No.
5 **SECRETARY MILLER:** Commissioner Neely?
6 **VICE CHAIR NEELY:** Yes.
7 **SECRETARY MILLER:** Commissioner Potter?
8 **COMMISSIONER POTTER:** No.
9 **SECRETARY MILLER:** Commissioner Reilly?
10 **COMMISSIONER REILLY:** No.
11 **SECRETARY MILLER:** Commissioner Shallenberger?
12 **COMMISSIONER SHALLENBERGER:** No.
13 **SECRETARY MILLER:** Commissioner Wan?
14 **COMMISSIONER WAN:** No.
15 **SECRETARY MILLER:** Commissioner Achadjian?
16 **COMMISSIONER ACHADJIAN:** No.
17 **SECRETARY MILLER:** Commissioner Blank?
18 **COMMISSIONER BLANK:** No.
19 **SECRETARY MILLER:** Chairman Kruer?
20 **CHAIR KRUER:** No.
21 **SECRETARY MILLER:** Two, ten.
22 **CHAIR KRUER:** That particular motion did not pass,
23 so it is still in there, Modification No. 8.
24 Commissioner Hueso, anything else before we go
25 back to the second motion? We had the main motion, now the

1 second motion?

2 **COMMISSIONER HUESO:** I just want to ask for
3 clarification on No. 4, if we are going to amend the language
4 on Modification No. 4 to suggest that the in-lieu fees have
5 been dropped?

6 **EXECUTIVE DIRECTOR DOUGLAS:** Yes, as we indicated,
7 we are going to make all of the changes that need to be made
8 to delete the in-lieu fee requirement as to new construction.

9 **COMMISSIONER HUESO:** Okay, so that is fine, and we
10 can go back to the main motion.

11 **CHAIR KRUER:** Okay, then we will go back to Motion
12 No. 2. We took up the first motion, and the maker and
13 seconder have asked for a "Yes" vote, and the passage of this
14 motion will result in the certification and implementation
15 program amendment with the suggested modifications, and the
16 adoption of resolutions and findings.

17 Do you want to say anything more, Commissioner
18 Hueso?

19 **COMMISSIONER HUESO:** Just to recommend a "Yes"
20 vote.

21 **CHAIR KRUER:** Yes, and he is recommending a "Yes"
22 vote.

23 Clerk, if there is no one else, would you call the
24 roll, please.

25 **SECRETARY MILLER:** Commissioner Lowenthal?

1 **COMMISSIONER LOWENTHAL:** What was the recommended?
2 **CHAIR KRUER:** A "Yes" vote.
3 **COMMISSIONER LOWENTHAL:** Yes.
4 **SECRETARY MILLER:** Commissioner Hueso?
5 **COMMISSIONER HUESO:** Yes.
6 **SECRETARY MILLER:** Commissioner Kram?
7 **COMMISSIONER KRAM:** Yes.
8 **SECRETARY MILLER:** Commissioner Neely?
9 **VICE CHAIR NEELY:** Yes.
10 **SECRETARY MILLER:** Commissioner Potter?
11 **COMMISSIONER POTTER:** Aye.
12 **SECRETARY MILLER:** Commissioner Reilly?
13 **COMMISSIONER REILLY:** Yes.
14 **SECRETARY MILLER:** Commissioner Shallenberger?
15 **COMMISSIONER SHALLENBERGER:** No.
16 **SECRETARY MILLER:** Commissioner Wan?
17 **COMMISSIONER WAN:** No.
18 **SECRETARY MILLER:** Commissioner Achadjian?
19 **COMMISSIONER ACHADJIAN:** Aye.
20 **SECRETARY MILLER:** Commissioner Blank?
21 **COMMISSIONER BLANK:** Aye.
22 **SECRETARY MILLER:** Commissioner Burke?
23 **COMMISSIONER BURKE:** No.
24 **CHAIR KRUER:** Chairman Kruer?
25 **CHAIR KRUER:** Yes, the Commission hereby certifies

1 the Implementation Program Amendment for the City of
2 Oceanside.

3 Did you have something to say?

4 **MS. MC VEY:** Mr. Chairman, prior to your
5 conclusion, could we get a clarification, so we understand
6 what you just did, please.

7 **CHAIR KRUER:** Okay, we will go through it.

8 **MS. MC VEY:** Thank you.

9 **CHAIR KRUER:** Modifications that were rejected
10 were No. 6, and then No. 8 did not pass, so you got 6 --

11 **EXECUTIVE DIRECTOR DOUGLAS:** And, that's it.

12 **CHAIR KRUER:** -- and that's it.

13 **EXECUTIVE DIRECTOR DOUGLAS:** And, we are going to
14 make all of the --

15 **CHAIR KRUER:** Go ahead and clarify how you are
16 going to incorporate in there.

17 **EXECUTIVE DIRECTOR DOUGLAS:** We are going to make
18 all changes that are necessary to conform with your deletion
19 of Modification No. 6, and then we accepted a number of
20 changes that the city had recommended.

21 And, No. 5 stays in, as does No. 8, and that's it.

22 **COMMISSIONER REILLY:** And, just to be clear, on
23 the ones that we kept, is the in-lieu fee based on any kind
24 of site specific stuff? or is it just a flat \$30,000 for
25 every one? I mean, how are we treating that?

1 EXECUTIVE DIRECTOR DOUGLAS: Well, the way that it
2 had been recommended was \$30,000 per unit. That, now, would
3 only apply to existing.

4 If they want to amend that at some point in the
5 future, they can certainly come forward and suggest that.

6 COMMISSIONER REILLY: Fine, okay.

7 COMMISSIONER WAN: And, I would suggest that,
8 because it got so complicated, that it really be specific,
9 that it not, at some point in the future, that that not be
10 specifically \$30,000. It seems to me it ought to be site
11 specific. But, that is something you will have to deal with
12 through another process.

13 MS. MC VEY: Correct, so in Modification 4, the
14 reference to the in-lieu fee stays, only for those that are
15 existing, but not new? is that correct?

16 COMMISSIONER REILLY: That is correct.

17 EXECUTIVE DIRECTOR DOUGLAS: That is correct.

18 MS. MC VEY: No. 5, the \$30,000 door fee for
19 redevelopment of existing rooms, based on 50 percent of new
20 rooms has stayed.

21 EXECUTIVE DIRECTOR DOUGLAS: Correct.

22 MS. MC VEY: Redevelopment of existing rooms, and
23 Modification No. 6, you have eliminated --

24 EXECUTIVE DIRECTOR DOUGLAS: That is correct.

25 MS. MC VEY: So, the new rooms not.

1 No. 7, the condominium hotels, you are accepting
2 our language, portions of our language? portion.

3 And, Modification No. 8, you are staying with the
4 staff recommendation?

5 **EXECUTIVE DIRECTOR DOUGLAS:** That is correct.

6 **MS. MC VEY:** I see.

7 **COMMISSIONER KRAM:** I don't think it was clear --
8 I don't know how everyone else feels -- about whether it was
9 site specific or not on the redevelopment issue?

10 **EXECUTIVE DIRECTOR DOUGLAS:** Well --

11 **CHAIR KRUER:** I think it was clear, when we were
12 discussing it.

13 **EXECUTIVE DIRECTOR DOUGLAS:** -- and I think the
14 message is if there is a desire to change that, to modify
15 that, we are certainly willing to work with the city on an
16 amendment.

17 **CHAIR KRUER:** Ms. McVey, do you want to say
18 anything else? I'm sorry.

19 **MS. MC VEY:** Well, we undoubtedly want to, I
20 guess, express our willingness to work with staff and with
21 the Commission in the future, so that our redevelopment area
22 can reach its fruition. It is somewhat dismaying that our
23 2006 ADR is \$66.00 so those owners of 27-room motels that
24 want to redevelop are going to get dinged \$30,000 a door for
25 50 percent of any net new rooms added. All of the hotel

1 owners of these hotels are going to be distraught, to say the
2 least.

3 **CHAIR KRUER:** I think we are going to take a 10-
4 minute bio-break here.

5 *

6 (Andi wants Krueer's rarks after 19.a. completed ?? or after a
7 break??)

8 *

9 [Whereupon the hearing concluded at 5:50 p.m.]

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CHAIR KRUER: Okay.
20.a.

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[Whereupon the hearing concluded at 5:50 p.m.]