



Council Agenda Report

From: Katie Banister, Associate Planner

Subject: Peterbilt Truck Dealership development plan and off-site billboard sign CUP – A development plan for the construction of a 25,000 square-foot semi-truck service, parts retailer, and sales dealership; a rezoning to expand the Highway-Oriented Sign overlay district; construction of a new highway-oriented pole sign; and construction of a new billboard sign to replace an existing billboard sign (PD22-02, RZN22-03, CUP22-16, P22-0017 and CUP23-03, P23-0019).

CEQA Determination: The City prepared Mitigated Negative Declaration SCH 2022090384, which contains mitigation measures that will reduce the environmental impact of the project to a less than significant level

Date: June 20, 2023

Facts

1. An application for Planned Development 22-02, Rezone 22-03, and Conditional Use Permit 22-16 (P22-0017), was filed by Archer Paso Robles, LLC to construct a 25,000 square-foot building and a highway-oriented sign at 2805 Theatre Drive (see Vicinity Map, Attachment 1).
2. An application for Conditional Use Permit 23-03 was filed by Outfront Media to construct a new off-site billboard sign to replace an existing billboard on the site (P23-0019).
3. The site has a General Plan land use designation of Regional Commercial (RC) and is in the Commercial Highway zoning district with Planned Development zoning overlay (C2-PD).
4. Vehicle sales (of new vehicles and up to 25 percent used vehicles, and including auto service as an accessory use) are an allowed use in the C2 zoning district.
5. Billboard signs are a conditionally allowed use on properties that are “adjacent to the 101 or 46 Corridors” including those “separated by frontage roads.”
6. The purpose and intent of the planned development (PD) district zoning overlay is to provide for innovation and flexibility in the design of residential, commercial and industrial developments. Approval of a development plan is required for all development in the planned development overlay district.
7. The subject site is 6.6 acres; the project would utilize 4.1 acres and leave 2.5 acres for future development.
8. The Development Review Committee (DRC) reviewed the design of the Peterbilt project at their meeting on August 8, 2022, and forwarded the project to Planning Commission with a request for images of the existing Peterbilt pole sign (across the freeway on Ramada Drive) illuminated at night, and plans showing how the project will interact with a new mini-storage use proposed on the lot to the west.
9. In compliance with the California Environmental Quality Act (CEQA), an initial study and mitigated negative declaration (SCH 2022090384) were prepared for the project and circulated between September 21 and October 11, 2022.

10. The project was scheduled for a public hearing at the Planning Commission on October 11, 2022. On the day of the hearing, the City received a letter from Outfront Media (see Exhibit E of Resolution A), which owns an existing billboard on the property that was proposed for removal with the project. The letter indicated actions taken by the City that resulted in the removal of the billboard would violate the 5th Amendment of the US Constitution and would be considered a taking requiring just compensation as defined in eminent domain law. The hearing was postponed to a future meeting in order for the City to prepare a response.
11. The Development Review Committee reviewed the design of a replacement billboard sign on April 17, 2023. The Development Review Committee members forwarded the project to the Planning Commission with a request for additional photographs of the existing billboard sign.
12. In compliance with CEQA, the City amended and recirculated Initial Study and Mitigated Negative Declaration SCH 2022090384 between May 12, 2023 and June 2, 2023.
13. The Planning Commission held a public hearing on May 23, 2023, and considered the facts as presented in the staff report prepared for this project, accepted public testimony regarding the project, and approved four resolutions unanimously recommending the City Council approve the project.

Community Outreach

The following notices for public hearings were produced and distributed three times for the project (for the October 11, 2022 Planning Commission Meeting; the May 23, 2023 Planning Commission Meeting, and this June 20, 2023 City Council meeting):

- Legal advertisement in the San Luis Obispo Tribune Newspaper 10 days before the hearing;
- Notice mailed to owners and occupants within 300 feet of the project;
- Emails to interested parties in the Rancho Paso neighborhood; and
- Site notices posted on the property.

Options

1. Approve the project by the following actions:
 - a. Adopt Resolution 23-XXX (A) certifying Mitigated Negative Declaration 2022090384 and adopting a Mitigation Monitoring Program; and
 - b. Introduce for first reading, by title only, Ordinance N.S. XXXX amending the map of the Highway-Oriented Sign overlay district to include the subject property; and
 - c. Adopt Resolution 23-XXX (B) approving Development Plan 22-02 for a Peterbilt Sales and Service Center and Conditional Use Permit 22-16 for a highway-oriented sign; and
 - d. Adopt Resolution 23-XXX (C) approving Conditional Use Permit 23-03 for the construction of a new billboard sign.
2. Approve the project with modifications to the listed resolutions and ordinance.
3. Refer the project back to staff or the Planning Commission for additional analysis.
4. Deny the project by adopting findings of denial.

Analysis and Conclusions

The project is the development of a vacant lot at the southern boundary of the City at the intersection of Theatre Drive and Nutwood Circle. The lot was formerly used for manufactured home sales. There is an existing billboard on the site. The project would replace an existing Peterbilt facility at 3030 Ramada Drive across Highway 101 in the County of San Luis Obispo. The project includes:

- 25,000 square-foot building
 - Sales: ~13,940 square feet
 - Service: ~11,060 square feet

- 47 automobile parking spaces
- Outdoor truck sales display
- Truck parking
- Highway-oriented sign
- Replacement of an existing billboard sign with a new billboard sign.

Peterbilt



General Plan Consistency

The project is in the Regional Commercial General Plan land use designation (RC). The purpose of the RC is to “provide for the retail shopping needs of the City and region.” Typical uses in the RC include “general merchandise, department stores, clothing, office supplies and stationary, autos and recreational vehicles, and electronic items, gasoline service stations.” The proposed use is a vehicle sales and repair use, which is consistent with typical uses for the area.

Zoning Ordinance

The site is in the Highway Commercial zoning district with a Planned Development overlay (C2 PD), where new vehicle sales (including auto service as an accessory use) is an allowed use.

The intent and purpose of the Planned Development overlay district include:

- Encouragement of creative and higher quality development design through allowed flexibility in project design while providing for essential development standards;
- Ensuring quality of overall project design, architectural treatment, and appropriate use of color and materials; and
- Encouragement of projects that are compatible with surrounding development.

The proposed project follows the standard corporate design for the Peterbilt Corporation and is similar in character to other vehicle-sales uses on Theatre Drive, including both the Kia and Chevrolet dealerships, which utilize metal siding and a similar modern design.

Development Standards

The project meets the development standards of the C2 district including building height, setbacks, and parking.

Nutwood Street Maintenance Agreement

The project is adjacent to and takes access from Nutwood Avenue and private, non-maintained street. The project is conditioned (planned development plan Conditions of Approval #16) to enter into a street

maintenance agreement with the neighboring commercial property owners (Doug Ayres and Andy Brown) prior to the issuance of building permits.

Signage

The project proposes a total of six wall-mounted signs on three sides of the building. Cumulatively, the signs do not exceed the maximum sign area permitted (107 square feet proposed where 363 square feet are allowed).

In addition, the applicant is proposing a highway-oriented sign. Paso Robles Municipal Code (PRMC) 21.19.030.R. defines a highway-oriented sign as a “freestanding sign exceeding six feet in height, located on designated properties . . . near the intersection of State Highway 101 and 46, that identifies tourist-oriented businesses, such as gasoline service stations, restaurants, motels and regional commercial uses and is located on the same property as the business it identifies.” These signs are conditionally allowed only in the Highway-Oriented Sign overlay district, as shown hatched in red on the map to the right, which does not currently include the subject property (outlined in blue). (PRMC 21.19.040.H.)

The applicant has requested the City expand the zoning overlay district to allow the installation of a highway-oriented sign for Peterbilt. Ordinance XXXX (Attachment 6) would rezone the property to include the Highway-Oriented Sign overlay district.

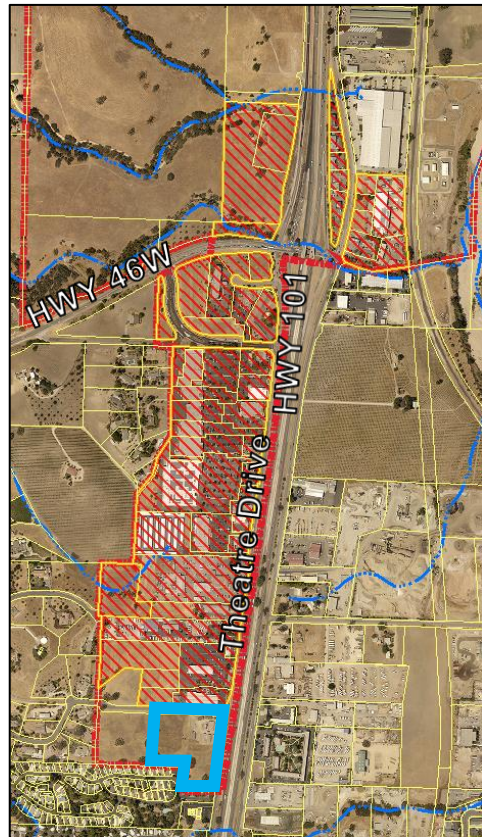
The applicant has provided a proposed design for a highway-oriented sign to be located at the corner of Theatre Drive and Nutwood Circle. As an alternative, the design for a 6-foot tall monument sign is also included, however, the applicant would prefer to construct the highway-oriented sign.

Paso Robles Municipal Code 21.19.040.H directs the City to:

- “limit the number, height and visual impact of highway-oriented signs when considering the CUP”;
- Discourage pole signs “if adequate signage can be provided on the sides of buildings and in the form of monument signs”;
- Strongly encourage “Combining multiple signs onto one single pole”; and
- Limit height of highway-oriented sign to the lowest practicable elevation.

The overall height of the proposed highway-oriented sign is 35 feet, with an 8-foot tall, 152 square-foot, oval sign face. In comparison, the highway-oriented sign for the Target Center, which has signage for 7 stores, is 36 feet in height. The vintage sign for the River Lodge is 45 feet in height. The Kia Dealership sign is 28 feet tall. Proposed Mitigation Measure AES-2 would limit the height of the highway-oriented sign for Peterbilt to a maximum of 30 feet in height, which is in keeping with similar signs for auto dealerships on Theatre Drive and would match the height of the reconstructed billboard sign. Mitigation Measure AES-3 would require any future highway-oriented sign for a business developed in the southern portion of the

Highway-Oriented Sign Overlay District



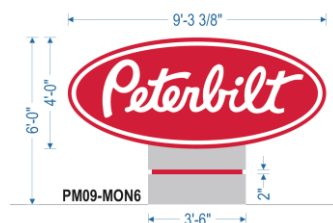
lot to be collocated on the same sign structure as the sign for Peterbilt to reduce the number of signs and to provide a buffer between a future sign and the residential neighborhood to the south.

There are currently 7 highway-oriented signs in the approximately 4,600 feet of Theatre Drive between Highway 46W and the southern city limit, which is an average of 1 sign every 660 feet. The nearest highway-oriented sign is at Daylight Gardens (2745 Theatre Drive), approximately 230 feet north of where the applicant proposes the Peterbilt pole sign. This is closer than average for highway-oriented signs on Theatre Drive.

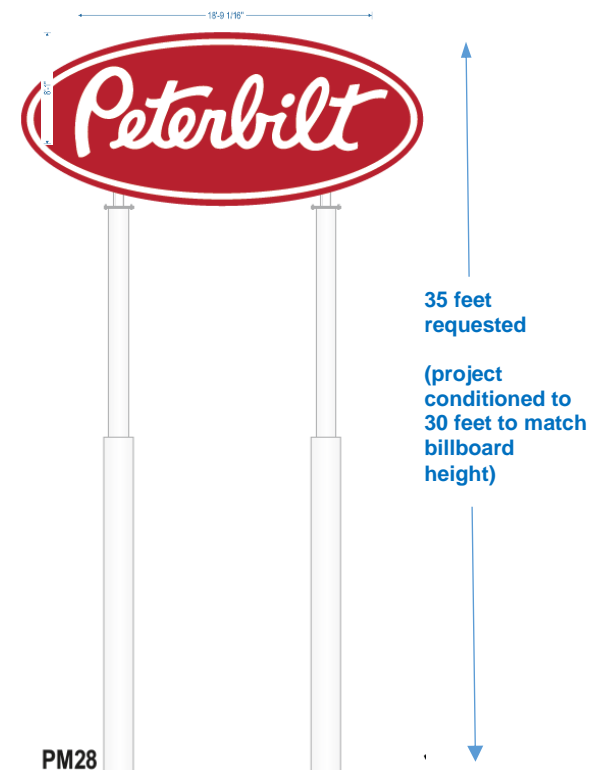
The applicant has also provided drawings for a monument sign should the highway-oriented sign not be approved.

Approval of Resolution B (attachment 7) would approve the design of a freestanding sign for Peterbilt.

Alternative Monument Sign



Requested Highway-Oriented Sign (Pole Sign)



(not to scale)

Existing Billboard reconstruction - conditional use permit

There is an existing billboard on the site, which is owned and operated by Outfront Media. The billboard is 22 feet in height with 10 feet of clear space below the sign faces. There are two 12-foot tall, 25-foot wide signs facing north and one 10-foot tall and 40-foot wide sign facing south. The sign predates the annexation of the property into the City in 2002.

Staff originally recommended the billboard sign be removed with the Peterbilt project because it would have impeded the sidewalk to be constructed with the project. The recommendation was also based on

policies of the General Plan Conservation Element, which identify the full length of Highway 101 as a visual corridor, where “development shall be designed to make a positive visual impression” and “Billboards shall be limited in number.” Action Item 2 of General Plan Land Use Element Policy LU-2B includes “Enhancing views along highways, roads, streets, and rail corridors with landscaping, building setbacks, enhanced architecture and signage/monuments.” Outfront Media has objected to the removal of their billboard and has notified the City they would expect “just compensation under the state’s Outdoor Advertising Act (Bus. & Prof. Code § 5200 et seq.), the state’s Eminent Domain laws, and due to Outfront’s loss of goodwill” should the City cause the sign to be removed (see Exhibit E of Resolution A).

City staff and the Planning Commission are now recommending approval of Conditional Use Permit 23-03 to allow the construction of a new billboard consistent with the requirements of PRMC 21.19.040.D., which include that the billboard shall be:

- Located adjacent to Highway 101 or 46 (or separated by a frontage road only);
- Located within a commercial or industrial zoning district;
- Also permitted by a Caltrans billboard permit, if required by Caltrans;
- Spaced no closer than 1,000 feet from another billboard on the same side of the highway;
- Spaced so no more than 3 billboards are located within a one-mile stretch of highway;
- No more than 300sf in sign area (per side);
- No taller than 30 feet in height;
- Constructed of metal or similar quality construction materials;
- Landscaped at the base;
- Static copy (no electronic reader displays or changeable copy);
- Lit by indirect and shielded lighting; and
- Set back at least one foot from the highway for every foot of sign height.

The following mitigation measures would address potential aesthetic impacts of the billboard:

- AES-1 would require shielding of any lights on the billboard, so the light source is not visible from adjacent roadways or properties zoned for residential use.
- AES-4 would require landscaping and street trees along the entire property frontage.

Northbound View of the Project with Billboard and Highway-Oriented Signs



The proposed billboard would meet all required standards. It would be 30 feet in height with one 300 square foot (10 feet tall by 30 feet wide) sign face facing each direction. Overall, the proposed billboard

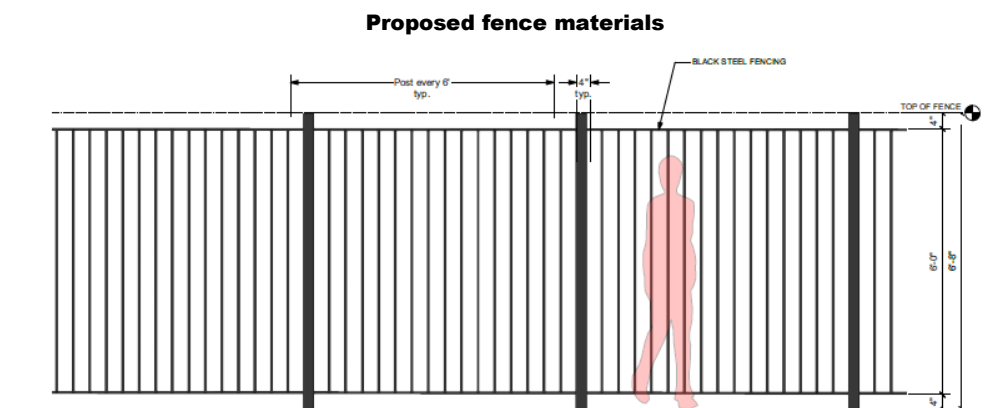
is taller than the existing sign with reduced sign area than the existing. Draft conditions of approval would require the billboard to be setback 10 feet from the front property line. Approval of Resolution C (Attachment 8) would allow the existing billboard to be replaced.

Landscaping

The proposed landscape plan meets the required depth of landscaping on all property lines but does not provide the required number of shade trees in the parking area. The DRC reviewed the landscape plan and recommended additional shade trees are not required in the parking area. The Planning Commission recommended the landscaping plan be amended to require perimeter landscaping around the drainage swale south of the parking lot. Resolution B now includes condition of approval number 12 requiring this landscaping.

Fencing and Outdoor Storage

The applicant proposes 6-foot tall black metal fencing around the perimeter of the project. Paso Robles Municipal Code 21.20.140 restricts fencing in front yards to 3 feet in height unless the DRC or Planning Commission approve a decorative fence up to 6 feet in height, provided the fence is “constructed in a manner to allow reasonable visibility through it.” The Planning Commission recommends the fence be approved at a 6-foot height because it would be constructed of black metal tubular material and would allow a good deal of visibility through it. Staff has added a condition of approval to prohibit banner signs from being hung from the fence.



Oak Trees

The project includes the removal of three 4-inch diameter oak trees, which fall below the threshold of protected oak trees in the City. All mature oak trees on the site will be preserved with the project.

Noise

The project includes the movement and repair of large diesel trucks in proximity to existing residential uses. A Noise Study was prepared for the project and is included as Attachment 7 to the Mitigated Negative Declaration (Exhibit A of Draft Resolution A). The study found there is potential for the project to exceed noise levels allowed by the Noise Ordinance and recommended 4 mitigation measures, which are expected to reduce noise to below maximum allowed levels. Mitigation Measure N-1 would limit hours of operation for the business. Measure N-2 would require service bay doors on the south and west sides of the building to be closed when air hammer equipment is in use. Measure N-3 requires all air hammer and hydraulic lifts to be operated indoors. Measure N-4 would require analysis of any proposed public address system.

Vacant Area Development Potential

The project is proposed on a 6.6-acre lot and would leave approximately 2.5 acres of land undeveloped south of the Peterbilt project. The applicant has indicated the area will likely be used in the future by a separate business, but no specific development plan has been proposed. One of the purposes of the PD overlay district is to require master planning of larger site, so adjacent developments are compatible. The DRC discussed whether a conceptual development plan was needed for the remainder area of the lot, but determined that due to the relatively large size of the vacant area, only a written description of the development potential of that area would be needed. The applicant has provided a narrative describing future potential, which is included as Attachment 4.

Fiscal Impact

There is no direct fiscal impact to the City by approving the project. However, the project is a semi-truck sales and service provider. The sales of trucks and truck parts are subject to the payment of sales tax, which will have a positive impact on the City's revenues as conditioned with the requirement that all Nutwood Avenue maintenance be the responsibility of the adjoining commercial properties.

CEQA

The project is not eligible for an exemption from CEQA, so an initial study and mitigated negative declaration (MND) (SCH 2022090384) were prepared for the project and circulated between September 21, 2022 and October 11, 2022. The City received four comment letters before the end of that circulation period, which are included as Exhibits B-E of Resolution A. Based on the receipt of new information related to the billboard, the City redrafted and recirculated the MND between May 12 and June 2, 2023 with amended mitigation measures.

Recommendation

It is recommended that City Council approve the following actions:

- a. Adopt Resolution 23-XXX (A) certifying Mitigated Negative Declaration 2022090384 and adopting a Mitigation Monitoring Program; and
- b. Introduce for first reading, by title only, Ordinance N.S. XXXX amending the map of the Highway-Oriented Sign overlay district to include the subject property; and
- c. Adopt Resolution 23-XXX (B) approving Development Plan 22-02 for a Peterbilt Sales and Service Center and Conditional Use Permit 22-16 for a highway-oriented sign; and
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Attachments

1. Vicinity Map
2. Project Description
3. Composite Site Plan with Mini-Storage
4. Remainder Area Development Potential
5. Resolution 23-XXX (A)
6. Ordinance XXXX
7. Resolution 23-XXX (B)
8. Resolution 23-XXX (C)
9. Full Mitigated Negative Declaration (Exhibit A to Resolution A)
10. Legal Affidavit
11. Mail Affidavit