



## Planning Commission Agenda Report

**From:** Katie Banister, Associate Planner  
**Subject:** The project is a 4-story 56-room boutique hotel with restaurant and banquet room at the corner of Pine and 14th Streets. Parking would be provided in off-site valet parking lots. Development Plan 20-02, Conditional Use Permit 21-18, P20-0014  
**CEQA:** The project is exempt from environmental review as a class 32 categorical exemption for infill development pursuant to the State's Guidelines to Implement the California Environmental Quality Act (CEQA), Section 15332.  
**Location:** 1315 Pine Street and 1320 Pine Street / APNs: 009-043-006, 009-043-009, and 009-045-001  
**Date:** July 9, 2024

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### Facts

1. On October 12, 2021, the Planning Commission adopted Resolution PC 21-033 (see Attachment 4) approving Development Plan 20-02 for a 4-story 56-room boutique hotel with restaurant and banquet room at the southwest corner of Pine and 14<sup>th</sup> Streets (see vicinity map, Attachment 1).
2. By the same resolution, Conditional Use Permit 21-18 was approved to allow off-site parking for the hotel. Forty-seven spaces would be provided at 1320 Pine Street. An additional 21 parking spaces are required by one of the methods listed in the conditions of approval, which include providing spaces at another site within a 1,250-foot walking distance of the hotel or payment of the City's parking in lieu fee.
3. Development Plan 20-02 and Conditional Use Permit 21-18 expired on October 12, 2023. The applicant has filed an application requesting re-approval of the project entitlements.
4. The site has a General Plan land use designation of Downtown Commercial (DC). The parking lot and a portion of the hotel are in the TC-2 zoning district. The remainder of the hotel is in the TC-1 zoning district.
5. Hotels are an allowed use in the TC-1 and TC-2 zoning districts. Parking lots as a primary use are a conditionally allowed use in the TC-2 district.
6. The project is consistent with the purpose of the Downtown Commercial (DC) General Plan land use designation, which is to "serve as a center for entertainment, culture, the arts, civic facilities and events, education, community, regional, and visitor-serving retail, and offices."
7. The project is consistent with General Plan Land Use Policy 1A, which is to "[s]trive to maintain a balanced mix and diversity of land uses" by providing a location for tourist accommodation in the downtown area.
8. The project is consistent with General Plan Land Use Policy 2B, which is the promotion of "architectural and design excellence by imposing stringent design and construction standards for commercial" projects including enhancing the downtown as a priority. The project would replace several dated buildings in the downtown core including an automotive garage.
9. The project is consistent with General Plan Land Use Policy 2H, which is to "[f]ocus efforts on developing Downtown Paso Robles as the specialty retail, government, office, cultural, conference, and entertainment center of the City and North County region" because it would provide hotel accommodation, a restaurant, and banquet room in the downtown.

10. The project is consistent with General Plan Land Use Policy 2I, which is to “[e]ncourage infill development as a means of accommodating growth, while preserving open space areas, reducing vehicle miles traveled, and enhancing livability/quality of life.”
11. The project is consistent with General Plan Land Use Policy 2J, which is to encourage public art, by providing historical photographs on the façade wall screening the proposed parking area.
12. The project is consistent with General Plan Circulation Policy 1A, which is to address the “mobility needs of all users of the streets, roads and highways” by preserving right-of-way and reconstructing sidewalks adjacent to the project in accordance with current accessibility standards.
13. The project is consistent with General Plan Circulation Policies 1D and 1E, which are to improve and expand transit services and promote rail service because the project would provide for tourist accommodation in proximity to the multimodal facility on Pine Street (train station).
14. The project is exempt from environmental review as a class 32 categorical exemption for infill development pursuant to the State’s Guidelines to Implement the California Environmental Quality Act (CEQA), Section 15332.

### **Options**

After consideration of any public testimony, the Planning Commission should consider the following options:

1. Approve the project by adopting Draft Resolution PC 24-XXX based on findings and subject to conditions of approval.
2. Approve the project with modifications by amending and adopting Draft Resolution PC 24-XXX.
3. Refer the project back to the Development Review Committee or Staff for additional analysis.
4. Deny the project by adopting findings of denial.

### **Project Summary**

- Hotel totaling 58,483 square feet of indoor space
- 56 guest rooms
- 2,837 square-foot banquet room
- 2,492 square-foot restaurant
- 2nd floor swimming pool
- Valet parking lot with parking lifts to accommodate 47 parked vehicles
- 21 additional parking spaces at a location to be determined

### **Analysis and Conclusions**

#### General Plan Consistency

The project is in the Downtown Commercial General Plan land use designation (DC). The purpose of the DC is to “serve as a center for entertainment, culture, the arts, civic facilities and events, education, community, regional, and visitor-serving retail, and offices.” The General Plan states, in the DC “priority for ground floor space is to be given to uses that generate a substantial amount of pedestrian traffic, such as retail, restaurants, theatres, wine-tasting, and services such as banks, realty offices, and personal services.”

When previously approved in 2021, staff, Development Review Committee members, and Planning Commissioners expressed concern about the lack of pedestrian-interest generating uses at the corner of 14<sup>th</sup> and Pine Streets where windows will screen the bottom of the swimming pool accessed from the second floor above, but will have no active uses inside.

#### **Perspective from Pine and 14<sup>th</sup> Street Intersection**



In lieu of a storefront at the corner, the project was conditioned to include windows with graphics to be approved by the Development Review Committee in the façade at the corner. The Planning Commission may want to consider discussing this outcome and determine whether to add conditions of approval that would require the applicant to redesign the corner of the project to include a ground floor commercial use.

Uptown/Town Centre Specific Plan

The project is in the TC-1 and TC-2 zoning districts, which have relatively similar development standards as demonstrated in Table 1 below.

**Table 1: Zoning District Development Standards**

Development Standard	TC-1	TC-2	Proposed for Hotel
Setbacks			
Front	0-5 feet	0-10 feet	0 feet
Street Side	0-5 feet	0-10 feet	0 feet
Internal Side	0-10 feet	0-10 feet	0 feet
Rear	5 feet	5 feet	18 inches
Building Stories / Height	4 stories, 50 feet	4 stories, 50 feet	4 stories, 50 feet
Parking	1 space/guest room + 1 space/1,200sf for accessory uses open to the public	1 space/guest room + 1 space/employee + maximum shift + 1space/1,200sf for accessory uses open to the public	68 parking spaces (47 valet parking spaces + additional parking TBD)
Frontage	Forecourt, shopfront, gallery, and arcade	Stoop, forecourt, shopfront, gallery, and arcade	Forecourt and Shopfront

The proposed hotel meets the above listed development standards with the exception of the rear setback, for which the applicant has requested a development standard modification.

The project includes a second-story swimming pool at the corner of Pine and 14<sup>th</sup> Streets, which results in a lack of pedestrian interest at this corner. The specific plan is “intended to ensure that private

development occurs according to the community’s vision of a compact, multi-modal, pedestrian-oriented urbanism that is respectful of Paso Robles’ history and culture.” In response to concerns from staff and the Development Review Committee that this blank corner is outside the vision for the downtown, the applicant has provided windows with visually interesting images applied to the glass in the ground floor at the corner.

*Building Type*

The hotel building is designed as a “Flex Block” building type. The standards for Flex Block buildings are compared to the proposed building in Table 2 below.

**Table 2: Flex Block Development Standards**

<b>Development Standard</b>	<b>Permitted</b>	<b>Proposed</b>
Height	4 stories	4 stories
Massing	50% on 4 <sup>th</sup> floor	50% on 4 <sup>th</sup> floor
Maximum building length on primary frontage	150 feet	200 feet (less 49 feet for restaurant patio)
Frontage standards	Frontage types that provide a transition from public to private, indoor to outdoor at the entrance to commercial ground floor space, such as shopfronts, arcades, and galleries are allowed	Forecourt and Shopfront

Flex Block buildings can be up to 4 stories, but the fourth floor cannot exceed 50% of the floor area of floors below. The proposed building includes a large interior courtyard, but the perimeter walls surround approximately 26,000 square feet of space (19,415 square feet of which is interior floor area) on the first floor. Floor area on the fourth floor is 9,675 square feet. The ratio meets the massing requirement.

Flex block buildings are not meant to exceed 150 feet on the primary frontage. In order to accommodate 56 rooms with accessory uses, a development standard modification is requested by the applicant.

*Parking*

The total parking requirement for the hotel is 68 spaces. This includes 56 spaces for hotel guests, 8 spaces for hotel accessory uses (restaurant and banquet room), and 4 spaces for employees on the maximum shift as indicated in Table 3 below.

In 1980, the City Council formed a Downtown Parking Assessment District to fund the construction of improvements to public parking in the downtown. Parking requirements for each property were evaluated and sites with deficient parking were assessed a larger tax, based on the size of their deficiency.

Assessor’s Parcel Number 009-045-001 (1320 and 1344 Pine Street on the east side of Pine Street) paid the tax for an 18 parking-space deficiency, which leaves the property with credits for 18 spaces. The proposed project would remove the buildings from the southern half of the lot (1320 Pine Street, currently occupied by the retail store, “Revamped”), leaving an approximately 6,000sf building on the

northern half of the lot (1344 Pine Street, currently occupied by “Reminisce Antiques”). The “Reminisce” building has a parking requirement for 15 parking spaces, leaving 3 parking credits available for the hotel.

**Table 3: Parking Requirement**

Use	Parking Requirement	Project	Parking Spaces
Hotel	1 space / guest room	56 rooms	56
Hotel in TC-2	1 space / employee on maximum shift	4 employees	4
Hotel accessory uses open to the public (e.g., restaurants and conference rooms)	1 space / 1,200 sf	Banquet room: 2,877 sf Restaurant: ~6,150 sf Lounge: 1,076 sf	8
		<b>Total required:</b>	68
		<b>Parking provided</b>	47
		<b>Parking credits</b>	3
		<b>Parking deficit</b>	18

The property at 1320 Pine Street is proposed as a 47-space valet parking lot using car lifts to maximize the number of cars that can be stored. The parking lot would have frontage on both Pine and Railroad Streets, but would be accessed from Railroad Street only. Screening is proposed on both frontages. On Pine Street, a building façade wall with historical images of Paso Robles would be constructed. The wall would utilize the stone, stucco, and metal materials also used on the hotel. On Railroad Street, the hotel stone material is paired with rusted metal material and vining plants to better match the Railroad Street design guidelines.

The applicant is conditioned to work with the City Engineer to complete a valet parking agreement for use of parking spaces in the right of way for valet pickup.

**Pine Street Frontage**



**Railroad Street Frontage**



With the parking credits, the applicant has satisfied the requirement for 50 of the 68 parking spaces required for the proposed hotel. Eighteen (18) additional parking spaces must be provided.

In the Uptown/Town Centre Specific Plan, shared parking is encouraged. Section 5.7.2.B states “parking requirements may be met by the provision of spaces in off-site lots. Off-site parking shall be located within a 1,250-foot walking distance (corresponding to a five minute walk) of the use it is intended to serve. Where approved by the review authority, off-site parking may be located at a more remote site.”

The project is conditioned to provide 18 additional parking spaces for the project. Staff has identified three options for satisfying the parking requirement:

1. Provide physical parking spaces. Spaces must be within a walking distance of 1,250 feet of the hotel with valet service. Spaces might be in a new parking lot not located on a street corner or within an existing parking lot with parking demand timing that is opposite of the timing of the hotel. Consistent with Paso Robles Municipal Code 21.22.090, a written agreement between the owner of the hotel and the owner of the parking lot would be recorded lasting at least 15 years.
2. Purchase in lieu parking credits, with a current cost of \$18,989 per parking space.
3. Apply to amend the development plan and conditional use permit to allow the demolition of a building to provide physical parking spaces.



### Signage

The project proposes a modest sign package; an approximately 2 square-foot wall sign in the Pine Street frontage and an approximately 3 square-foot projecting sign at the corner of Pine and 14<sup>th</sup> Streets. These signs are well below the maximum sign area permitted and are at a pedestrian scale as is encouraged by the specific plan. Any modification to the proposed sign program would be subject to future DRC approval.

### Modifications

The Uptown/Town Centre Specific Plan states, " in the event that compliance with the provisions of this Code can be demonstrated to be physically infeasible for any reasonable type of development within any of the zones described in this chapter, the Planning Commission may, subject to development plan review, approve modified development standards upon a finding that the modified standards will not create a physical hazard or negative visual impact when viewed from a street or neighboring property." The Planning Commission "may impose any conditions necessary to ensure that such a finding can be made." Staff has identified two modifications needed to approve the project.

1. In both the TC-1 and TC-2 districts, the required rear setback is 5 feet from an alley. The proposed building would be 18 inches from the alley. Both emergency services and engineering staff have reviewed the request for a reduced rear setback, and recommend the commission can make appropriate findings if all doors along the alley do not swing into the public right-of-way and utilities do not project into the public space. Planning staff has determined the reduced setback does not have an appearance out of character with the historic character of the downtown, which often featured buildings touching all property lines with no setbacks. Further, 5-foot rear setbacks tend to encourage parallel parking along the rear of buildings, which project into alleys and obstruct traffic.
2. Flex block buildings are limited to a maximum building length of 150 feet along the primary street frontage. The proposed building, including restaurant, is 199 feet and 8 inches wide. The restaurant area and adjacent walkway are 48 feet and 11 inches wide; so that approximately 150 feet of building touch the sidewalk along Pine Street.

### **Fiscal Impact**

Hotel guests pay transient occupancy taxes totaling 11%. The City collected approximately \$7,575,000 in transient occupancy taxes from all hotels in the City in fiscal year 2023.

### **CEQA**

The project is exempt from environmental review as a class 32 categorical exemption for infill development pursuant to the State's Guidelines to Implement the California Environmental Quality Act (CEQA), Section 15332. The notice of exemption adopted by the Planning Commission in Resolution PC 21-033 is included as Exhibit J of the draft resolution.

### **Recommendation (Option 1)**

Approve the project by adopting Draft Resolution PC 24-XXX based on findings and subject to conditions of approval.

### **Attachments**

1. Attachment 1. Vicinity Map
2. Attachment 2. Off-Site Parking Opportunities Map
3. Attachment 3: Draft Resolution PC 24-XXX
  - Exhibit A – Site Specific Conditions of Approval
  - Exhibit B – Standard Conditions of Approval
  - Exhibit C – Architectural Plans
  - Exhibit D – Color and Materials
  - Exhibit E – Landscape Plan
  - Exhibit F – Swimming Pool Screening
  - Exhibit G – Perspectives
  - Exhibit H – Parking Lift Details
  - Exhibit I – Civil Plans
  - Exhibit J – CEQA Notice of Exemption
4. Attachment 4. Resolution PC 21-033