Attachment 2

## CITY OF CALISTOGA PLANNING COMMISSION REGULAR MEETING DRAFT MINUTE EXCERPT

Wednesday, December 08, 2010 5:30 PM Calistoga Community Center 1307 Washington St., Calistoga, CA

Chairman Jeff Manfredi Vice- Chairman Clayton Creager Commissioner Paul Coates Commissioner Nicholas Kite Commissioner Matthew Moye

"California Courts have consistently upheld that development is a privilege, not a right."

Among the most cited cases for this proposition are Associated Home Builders, Inc. v. City of Walnut Creek, 4 Cal.3d633 (1971) (no right to subdivide), and Trent Meredith, Inc. v. City of Oxnard, 114 Cal. App. 3d 317 (1981) (development is a privilege).

Chairman Manfredi called the meeting to order at 5:42 PM.

## A. ROLL CALL

**Present:** Chairman Jeff Manfredi, Vice-Chairman Clayton Creager, Commissioners Paul Coates and Matthew Moye. **Absent:** Commissioner Nicholas Kite. **Staff Present:** Charlene Gallina, Planning and Building Director, Ken MacNab, Senior Planner, Erik Lundquist, Associate Planner, and Kathleen Guill, Planning Commission Secretary.

2. Zoning Ordinance Text Amendment (ZO 2010-02): Consideration of interim text amendments to the Calistoga Municipal Code, initiated by the City of Calistoga, amending Title 17 (Zoning Ordinance) to reduce regulatory barriers to economic development. The proposed amendments are exempt from the California Environmental Quality Act (CEQA) under Sections 15061(b)(3), 15301, 15303, 15305 and 15332 of the CEQA Guidelines.

Commissioner Moye recused himself from discussion because he has a winery project that will be affected by the ordinance.

Chairman Manfredi opened the public hearing discussion at 5:53 PM.

Planner MacNab summarized that due to an increased number of commercial vacancies and the economic downturn there has been dialogue with the Calistoga Chamber of Commerce and downtown property owners to discuss what the City could do to assist property owners to help fill the vacant spaces. There was no shortage of ideas for things the city could do to help fill spaces suggestions included showcasing vacant properties on the City web site, recruiting desired business and developing handouts explaining permitting procedures. During discussions it became evident to staff that certain development regulations are problematic and sometimes create a barrier for drawing new business to Calistoga. In response six "economic development measures" have been identified for consideration by the City Council that would provide relief from related development barriers. Planner MacNab recapped the proposed economic development measures from the Staff report dated December 8, 2010, referencing page 2 through 5 of 6, starting at line 37 as follows that could be approved through provisions of an interim ordinance.

- 1. Time extensions and reactivations of Conditional Use Permits.
- 2. Extend the expiration date for approved project applications for various applications from one to three years.
- 3. Reactivation of project approvals that expired in 2008, 2009, or 2010, if requested by current property owners.

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- 4. Extend the time limit for maintaining nonconforming status from six months to 24 months to allow for a longer vacancy period between uses.
- 5. Allowing reuse of an existing commercial space without requiring additional parking for nonconforming/higher demand uses, provided the deficiency is no more than 10 spaces or a 25% reduction, whichever is greater.
- 6. Defer collection of Development Impact Fees to the time a Certificate of Occupancy is issued or as part of an approved payment plan. (New business is sometimes required to pay for increased water and wastewater.)
- Planner MacNab wanted to make it clear that the proposed provisions would not change the General Plan or currently permitted land uses, and stated that the measures could provide significant relief and help business to move into Calistoga. Staff recommendation was to adopt Resolution PC 2010-18 forwarding a recommendation to the City Council for the adoption of an Ordinance adding Title 17.12, ECONOMIC DEVELOPMENT MEASURES TO THE MUNICIPAL CODE (ZO 2010-02).
- Commissioner Coates referenced the Staff Report, page 3 of 6, starting at line 94 questioning the legality of reactivation of project approvals that had previously expired.
- Planner MacNab noted this question was also raised by the City Manager and it will be forwarded to the City Attorney tomorrow, but noted appropriate legal notification to the surrounding properties may be necessary when a property comes in to reactivate.
- Director Gallina stated staff will have that issue resolved before it goes to Council.
- **Commissioner Coates** asked if they needed to discuss this further due to a potential change.
- Director Gallina suggested that legal notification to property owners within a 300' radius to advise consideration of reactivation of a use permit should be sufficient for administrative approval, except if someone has a concern and then it should be scheduled for review a public hearing.
- Vice-Chairman Creager asked if the benefit was to avoid additional fees or shorten the time for processing.
- Planner MacNab responded advising it is predominately to address the time required to complete permitting and it helps those that have already attained project approvals, but economic times have delayed the process and their intent has not changed, they want to go forward. This will allow them to reactivate when economic conditions are better.
- Commissioner Coates noted that without due process the measure on reactivation could actually backfire and possibly delay a project.
- Vice-Chairman Creager stated he could see a waiver of fees but still provide a review to see if the project is still consistent with city policy.
- Director Gallina noted a waiver of fees requires a close look at the issue of cost recovery for staff If the Commission doesn't feel comfortable with the suggested notification/exception time.

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process, before we schedule review by the City Council we can bring it back to the Planning Commission.

**Planner MacNab** noted that the measure was not intended to preempt due process and is in the interest to expedite.

**Vice-Chairman Creager** shared concern for unintended consequences of item 2 and 4, although he understood the benefit for those showing initiative. He suggested it gives more leverage to a property owner by extending time a property owner could let go an existing business for someone that will pay higher rent. What is the benefit to initiate new business?

**Ken MacNab** stated the perception is right, landlords are leveraging improvement costs on prospective tenants but, this measure may defer needed improvements. The alternative if a landlord is unresponsive is that it could deter business from relocating.

**Vice-Chairman Creager** if we were to provide more leverage to landlords the benefit should extend all the way through to the business owners.

Chris Canning, Calistoga Chamber of Commerce confirmed the initial meeting included a selection of interested parties, i.e. potential business and property owners to get feedback on certain Zoning Regulations that make the process complicated in hopes to realize opportunities to remove or lower some of the barriers. Mr. Canning reminded we do need to position ourselves as an inviting community to be more attractive than the next town down the road. He reported there was frank dialogue and afterward the city proposed some changes. So now the excuses have been removed and the responsibility is back to the property owners. Yes, there could be unintended consequences, but we have vacancies, some at the three year mark. Some have no debt service and they are energized to be competitive. A property owner may take advantage of it but the capital market can take care of it. We are pressing this because we want to poise ourselves as quickly as possible.

**Vice-Chairman Creager** understands there are no specific assurances, he liked the idea of a more competitive environment and the proof will be in the pudding when it comes up for renewal. Will property owners use this wisely or continue to improve their personal position. If we can't have assurance, we will put them on notice that we are watching.

**Chris Canning** acknowledged that this removes the excuses and he has seen a significant decrease in rents being asked for. Some property owners held rents for a long time, lets the help property owner to help new business to start.

Chairman Manfredi closed the public portion of the hearing at 6:15 PM.

Commissioner Coates questioned if the language were recrafted can staff bring it back past the Commissioners.

**Planner MacNab** stated that staff cannot review revised language with Commissioners one at a time due to the Brown Act and it would be more expeditious if the Planning Commission could provide direction on the intended support of the proposal. If the Commission is comfortable with the proposal staff will have the language reviewed by the city attorney for a legal interpretation to confirm the mail out notification process was adequate.

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- **Commissioner Coates** stated we need to expedite everything, but we also need to do it right. He asked if an adhoc committee would work.
- **Chairman Manfredi** suggested removing bullet #3 and passing everything else along. Advise City 135 Council another component will be coming up.
  - Vice -Chairman Creager stated he was comfortable with leaving it up to the city attorney.
  - Chairman Manfredi agreed if the city attorney says it works we should go with it. He noted he was just completely tired of people saying the city is holding them up. With that said he called for a motion.
  - There was motion by Vice-Chairman Creager, seconded by Commissioner Coates to Adopt Planning Commission Resolution PC 2010-18 as amended, recommending to the City Council approval of a Zoning Ordinance Text Amendment (ZO 2010-02) adding Chapter 17.12 Economic Development Measures to the Calistoga Municipal Code to reduce regulatory barriers to economic development, reworking item 3 to be sure due process is satisfied. **Motion carried: 3-0-1-1.**
- 150 Prepared by Kathleen Guill

151 Secretary to the Planning Commission