

**CITY OF DANA POINT  
PLANNING COMMISSION  
AGENDA REPORT**

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**DATE:** APRIL 14, 2014

**TO:** DANA POINT PLANNING COMMISSION

**FROM:** COMMUNITY DEVELOPMENT DEPARTMENT

**SUBJECT:** SITE DEVELOPMENT PERMIT SDP07-15(I) AND CONDITIONAL USE PERMIT CUP98-14(M)(II) AMENDING PREVIOUS APPROVALS TO ALLOW THE RELOCATION AND EXPANSION OF APPROVED CONFERENCE FACILITIES IN PLACE OF THE EXISTING TENNIS COURTS, A REDUCTION IN THE NUMBER OF DETACHED CASITAS' FROM THREE TO TWO, MINOR CHANGES TO THE LANDSCAPING PALATE AND A CORRESPONDING REVISION TO THE HOTEL'S SHARED PARKING PROGRAM.

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**RECOMMENDATION:** That the Planning Commission adopt the attached Draft Resolutions (1) approving the addendum to project related Negative Declaration and (2) approving Site Development Permit SDP07-15(I) and Conditional Use Permit CUP98-14(M)(II).

**APPLICANT:** Kollin Altomare Architects

**OWNER:** SHC Laguna Niguel I, LLC

**REQUEST:** The applicant is requesting an amendment to Site Development Permit SDP07-15 and Conditional Use Permit CUP98-14(M)(I) by relocating the 15,200 square feet of conference facility space to an approximate 36,000 square foot detached structure in the area now occupied by the existing tennis courts, reducing the number of the detached casitas' from three to two, minor changes to the landscaping palate, and a corresponding revision to the Hotel's shared parking program.

**LOCATION:** 1 Ritz Carlton Drive: APN; 672-171-03

**NOTICE:** Notices of the Public Hearing were mailed to property owners within a 500-foot radius of the site on March 13, 2014, published within a newspaper of general circulation on March 13, 2014, and posted on March 13, 2014, at Dana Point City Hall, the Dana Point and Capistrano Beach Branch Post Offices, Dana Point Library, as well as on the City of Dana Point website. Notices advising the residents of the new location for the continued April 14, 2014 Public Hearing were mailed on April 3, 2014, and re-posted on April 4, 2014, at Dana Point City Hall, the Dana Point and Capistrano Beach Branch Post Offices, Dana Point

Library, as well as on the City of Dana Point website

**ENVIRONMENTAL:** An addendum to the previously approved Negative Declaration (State Clearinghouse # 2009041125) has been prepared in accordance with the California Environmental Quality Act (CEQA)

**ISSUES:**

1. Is the proposal consistent with the City's adopted General Plan and Zoning Code?
2. Is the proposal compatible with and an enhancement to the surrounding neighborhood and City?
3. Does the project satisfy all the findings required pursuant to the City's Zoning Code for approving a Site Development Permit and a Conditional Use Permit?

**BACKGROUND:** The subject site is an approximate 17.6 acre parcel containing a fully developed resort hotel (Supporting Document 3). The site includes the main hotel structure with its four (4) conjoined wings housing 393 guest rooms, restaurant and lounge areas, conference and banquet facilities, and a spa and fitness center. Exterior recreational areas including four (4) tennis courts, two (2) swimming pools, and public trails are included on the site. There is also a detached conference/banquet facility located near the main entry and a three (3) level parking structure located on the hotel grounds. Existing residential uses in the Niguel Shores community border the site towards the south and east. To the northeast across Ritz Carlton Drive is an existing commercial center, which is adjacent to an Orange County public parking lot serving Salt Creek Beach Park. To the west of the hotel property is a coastal bluff with sandy beach below. The site is located within the Visitor/Recreation Commercial (V/RC) District according to the City's Zoning Map and is designated Visitor/Recreation Commercial on the Land Use Policy Diagram contained in the City's General Plan.

The original development of the Ritz-Carlton hotel was entitled in 1982, through the approval of a Conditional Use Permit (UP 81-102P) and a Site Development Permit (SP 81-107P), and the subsequent Coastal Development Permit (5-82-291) obtained from the California Coastal Commission (CCC) later that year. There have been two major expansions at the hotel since it was originally developed. The first was the addition of a 7,798 square foot, freestanding banquet facility approved through a Coastal Development Permit. This approval also included a Minor Conditional Use Permit authorizing the shared parking program for the hotel and its associated uses. The second expansion was approved by the Community Development Director through a Minor Site Development Permit allowing a much smaller 2,651 square foot fitness center with a 2,000 square foot roof, terrace.

Although never built, in October of 2000, the Planning Commission approved a Coastal Development Permit, Site Development Permit, and Variance for a spa expansion for the hotel in the same area of the property as the expansion proposed as part of this

application. Those entitlements authorized the construction of a three-story, 32,276 square foot structure including a height Variance.

In 2009 the Planning Commission approved Site Development Permit SDP07-15, Variance 07-07, and Conditional Use Permit CUP98-14(M)(I) allowing an expansion to the hotel that included 15,200 square feet of meeting space and associated ancillary space, 27 new guest rooms through the conversion of existing meeting space, infill additions between wings of the hotel, and three new detached casitas, and improvements to the hotel's exterior hardscape, landscape, pool, and guestroom patio areas. The application included a height variance to allow the proposed additions as high as the existing hotel, and an amendment to the existing shared parking program (Supporting Document 4). Although slightly revised, the applicant received an amendment to the site's Coastal Development Permit from the CCC for improvements associated with the City's 2009 approval, in 2012.

The 2009 approval also included the adoption of a corresponding Negative Declaration prepared to assess the environmental impacts of the expansion and associated improvements. The Initial Study included with the Negative Declaration determined that there would not be a significant impact to the environment with implementation of the project. (Supporting Document 5)

**DISCUSSION:** As outlined in Dana Point Zoning Code Section 9.61.075 (Amendment and Modifications to Discretionary Permits), the Director of Community Development has determined that the proposed amendment to the previous approval is significant enough to require discretionary review, and is referring the amendment back to Planning Commission, the original decision making authority.

The site is located within the City's Coastal Overlay District and a Coastal Development Permit is required for the amended project. Pursuant to Zoning Code Sections 9.69.030(c)(3)(B) and 9.69.130(f), because the original Coastal Development Permit for the hotel was authorized by the CCC, that body retains jurisdiction over any subsequent amendments. Once the applicant receives an "Approval in Concept" from the City, they will be required to file their Coastal Development Permit application with the CCC.

**CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):**

The City has reviewed the proposed amendment in accordance with Section 15162 of the CEQA Guidelines and has determined that a subsequent Environmental Impact Report is not necessary. Staff has reviewed the proposed amendment to the approved project and found that no new environmental effects or changes in the levels of significance of environmental effects would occur with implementation of the proposed amendment.

An Addendum to the Negative Declaration (ND) has been prepared in accordance with Section 15164(a) of the CEQA Guidelines analyzing the potential environmental impacts associated with the proposed amendment to the original project (Exhibit A of Action Document 1). Although not required in 2009, an assessment of greenhouse gas (GHG)

emissions has been included in the Addendum. Supporting documentation assessing GHG emissions was provided with the Addendum. The supporting memorandum estimates GHG emissions of the proposed project amendment, which includes GHG emissions from the previously approved project, would be substantially less than the screening thresholds recommended by the South Coast Air Quality Management District Working Group.

The Addendum concluded that the impact from GHG emissions and climate change for the project would be less than significant, and the proposed amendment to the project will not create significant environmental effects or increase the severity of impacts of the original project analyzed in the ND. The Addendum must be considered with the adopted ND as a separate action prior to taking action on the proposed project amendment in accordance with CEQA Guidelines, and a separate draft resolution has been included to address this requirement (Action Document 1).

#### SITE DEVELOPMENT PERMIT AMENDMENT

As mentioned, the original approval included a 15,200 square foot conference facility with meeting rooms, pre-function space, valet storage, office, restrooms, and outside balconies. The conference facility was attached to the main hotel structure and had a finish floor and height equal to that of the main floor of the hotel. The conference facility as well as the in-fill rooms between the wings of the hotel exceeded the maximum 35-foot height limit of the V/RC Zoning District, which was established after original construction of the hotel. Consequently, a height variance was requested and approved as part of the project in 2009. The applicant is proposing to eliminate that conference facility from the original approval and construct a separate conference facility structure on the location of the existing tennis courts at the hotel (Supporting Document 6).

While the new two-story structure referred to as the “Ballroom Pavilion” (Pavilion), in plans and in documents supporting the proposed amendment is larger than the previous conference facility totaling 36,071 square feet. This design no longer requires a height variance. The proposed Pavilion includes more storage, pre-function and public circulation areas, service corridors, a warming kitchen, and a second story foyer that provides access to the lower story from the vehicular turn around area near the hotel’s main entry. The larger area also includes a pool bar to replace the existing pool bar serving the Dana Pool area that is being demolished and incorporated into the floor plan of the Pavilion. These areas comprise 21,786 square feet of the Pavilion.

The main ballroom of the Pavilion is proposed at 14,285 square feet and can be divided into smaller rooms through the use of partition walls customary with larger conference facilities. The front of the Pavilion facing the internal courtyard created by the Dana Wings of the hotel will include an outdoor terrace and function court that would serve as break and outdoor function areas serving users of the Pavilion facility.

The new Pavilion structure measures just under the 35-foot height limit permitted in the V/RC Zoning District and finish materials including cement plaster finish, concrete roof

tiles, and decorative plaster trim all to match the existing hotel finishes and colors are proposed.

Other revisions to the original approval include removal of one of the three detached casitas' located at the southern portion of the hotel grounds, and removal of the previously approved ocean lighting that was to be attached to the existing gazebo near the coastal bluff.

The landscape palate has been changed to include more native and drought tolerant species, and the project is conditioned to comply with the City's Water Efficient Landscape ordinance adopted since the previous approval in 2009 (Supporting Document 7).

#### CONDITIONAL USE PERMIT AMENDMENT

The hotel received approval of a shared parking program in 1999, pursuant to Section 9.35.060(c)(4) of the Zoning Code. An addendum to the shared parking program was completed in 2007, to account for differences between the forecasted spa improvements in the 1999 program, and the actual size of the fitness center addition and spa renovations undertaken at the hotel. The shared parking program addendum also accounted for the loss of 54 parking spaces in the parking structure dedicated to hotel storage.

The 2009 approval amended the shared parking program at the hotel to account for the increase in guest rooms and conference facilities at the hotel incorporating the same Urban Land Institute methodology used in the 2007 addendum to evaluate shared parking at the hotel. That revised parking analysis included an on-site parking supply of 847 spaces through recapturing the 54 spaces in the parking structure, and the use of valet spaces parallel parked along one side of the parking structure drive aisles, and the loss of some stalls due to disabled parking requirements (Appendix A, of Attachment D, of Exhibit A ,of Action Document 1). The shared parking analysis demand tables showed that during typical weekday, conservative Friday, and weekends, the forecast parking demand would top out at 837 spaces. Consequently, the parking demand generated by the approved expansions could be accommodated on-site with a surplus of ten (10) parking spaces.

To account for the proposed amendment with the new Pavilion structure and changes in the uses at the hotel since the 2009 approval, an updated analysis of the shared parking program has been prepared (Attachment D of Exhibit A of Action Document 1). Since the time of the previous analysis the Club Grille restaurant at the hotel has been eliminated altogether and one the proposed guest rooms (casitas) has been eliminated. Loss of these areas results in a parking demand decrease of six (6) spaces based on calculations used in the previous shared parking analysis.

The net increase in meeting space from the 2008 shared parking analysis to the updated parking analysis is 3,525 square feet. The total is derived by taking the total meeting space in the proposed Pavilion (14,285 sf) compared to the total meeting area proposed to be added in the 2008 study (10,760 sf). The ancillary and support service areas

(pre-function, function storage, function warming kitchen, service corridors, restrooms, etc.) are not included in the current shared parking calculation as it is non-assembly space. The net increase in meeting space results in a corresponding parking demand increase of nine (9) parking spaces.

Consequently, the total change in parking demand, based on the proposed project amendment, is an increase of three (3) parking spaces. Based on the previous shared parking analysis, the hotel would still have a surplus of seven (7) parking spaces when peak parking demand was forecast to occur mid-day on a Friday.

Due to the previous concerns regarding the use of off-site parking areas by employees of the hotel, Staff has included in the draft resolution a condition requiring all hotel employees to park on the hotel site at all times. The City's third party traffic consultant has reviewed the updated parking analysis and is in accordance with its conclusions.

### **CONCLUSION:**

Based on the above analysis, Staff has determined that the required findings can be made supporting the proposed amendment to the original approval of SDP07-15 and CUP98-14(M)(I) and the corresponding ND Addendum and recommends that the Planning Commission approve the amended improvements associated with the Ritz-Carlton hotel and the related ND Addendum prepared for the project.

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Kurth B, Nelson III  
Senior Planner

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Ursula Luna-Reynosa, Director  
Director of Community Development

### **ACTION DOCUMENTS:**

1. Draft Planning Commission Resolution for ND Addendum
2. Draft Planning Commission Resolution for SDP and CUP(M) Amendment

### **SUPPORTING DOCUMENTS:**

3. Vicinity Map
4. July 6, 2009, Planning Commission Staff Report and Meeting Minutes
5. Adopted Negative Declaration/Initial Study (Available electronically:  
<http://www.danapoint.org/index.aspx?recordid=5457&page=74>)
6. Architectural Plans
7. Landscape Plans
8. Correspondence Received