



Planning Commission
Meeting Minutes
February 12, 2019 6:00 PM
City Council Chamber

1. ROLL CALL

Commissioners present: Civian, Bottarini, Breznikar, Eddinger, Luks, Petrik, Tracy

Commissioners absent: None

City Staff present: Planning and Building Director Maya DeRosa, Senior Planner Scott Duiven, Fire Marshal Linda Collister, City Attorney's Office Samantha Zutler, Administrative Specialist Shawn Sumpter

2. ADMINISTRATIVE ACTIONS

- A. On a motion by Commissioner Eddinger, seconded by Commissioner Luks, the Commission voted 7-0 to approve the February 12, 2019 agenda.
- B. On a motion by Commissioner Eddinger, seconded by Commissioner Petrik, the Commission voted 4-0-3 (Bottarini, Breznikar and Tracy abstain) to approve the January 23, 2019 minutes.
- C. Acceptance of Communications and Correspondence: Director DeRosa called the Commission's attention to attachments 8, 9, and 10 included in their packets and a letter from Todd Brandt delivered to the dais.
- D. Declarations of Conflicts of Interest: Commissioner Eddinger declared a conflict with item 4A, 106 Matheson Street and recused himself from the item.
- E. Disclosures of Ex Parte Communications: Commissioners Luks, Bottarini, and Civian disclosed communication with the applicant for item 4A, 106 Matheson.

3. PUBLIC COMMENTS

None

4. PUBLIC HEARINGS

Commissioner Eddinger left the meeting prior to item 4A.

A. Item

Description: DR 2018-03, CUP 2018-05

Project

Description: Design Review for remodel and multi-story addition to an existing one-story building for a restaurant with roof top deck, retail spaces, 2 residential units on top floor, and parking lot improvements; and a CUP for 2 residential units over retail in the Plaza Retail District.

Location: 106 Matheson Street – APNs: 002-242-006, 002-242-047, 002-242-056

Applicant: Craig Ramsey

Environmental

Determination: The Project is consistent with the development density and intensity established in the Healdsburg 2030 General Plan, for which an EIR has been certified, and is therefore exempt from further environmental review under Public Resources Code 21083.3(a). This exemption is subject to conditions and limitations which have been documented in the CEQA Review, none of the limitations were found to apply to the Project.

Senior Planner Scott Duiven presented the staff report.

Commissioner Bottarini stated that he is satisfied for the most part that the design issues have been hashed out. The key issue is the land use code. He asked for clarification of the historic uses on the property as it relates to consistency.

Senior Planner Duiven described the previous uses as having been multiple as well as singular and have involved changes in the interior spaces that make up the shop areas and areas devoted to restaurant use over time. He stated that the applicant could do a restaurant covering the entire first floor without the addition as a permitted use. He described the applicant's proposal, splitting the face of the property into 3 uses, as being similar in scale to other uses in the plaza area. Creating a storefront with 3 distinct uses creates spaces smaller in nature than would exist if the restaurant took up the entire space.

Commissioner Bottarini asked if the applicant were to change the make-up of businesses on the ground floor would they have to come back to the Commission.

Duiven stated that if they were to change the interior space and not the façade they would not need to come back to the Commission.

Commissioner Bottarini stated that one of the key words in the wording of the Plaza Retail District is "promote". He asked staff to comment.

Duiven stated that the term is in support of an allowed use in the plaza area. This project is really a mixed use project that provides 3 separate uses breaking up the frontage of the property which continues a similar theme around the plaza.

Director DeRosa noted that there has been a lot of comment and concern about the restaurant itself and asked the Commission to remember that this is a mixed use project that provides all three uses to work symbiotically to achieve the goal set forth in the General Plan and Land Use Code.

Commissioner Tracy asked staff to describe what elements were considered when applying the term "small scale".

Duiven stated that in absence of a definition in the Land Use Code he looked to the General Plan for guidance. In Plaza Retail formula businesses are not allowed. It is also stated that there should be no single use commercial buildings. He pointed to Hotel Healdsburg as an example on the Plaza of a large scale operation that is broken up into many uses that is tolerated well in the downtown. The Design Guidelines and the zoning standards set the height and massing standards. Breaking up the storefront and offsetting the building above the first floor follows those guidelines.

Commissioner Tracy stated that it sounds like small scale was used in terms of uses and types of uses.

Duiven stated that these are allowed uses and this is a design review. The zoning ordinance does not set a limit on the size or number of streets for restaurants. He noted that Hotel Healdsburg was approved under the same "small scale" qualification. The Plaza Retail district special purposes were put into place in 1986 prior to the approval of Hotel Healdsburg.

Commissioner Tracy stated that parking, noise, and traffic were the three major concerns raised frequently. He stated that noise is of particular concern to him and asked for an explanation of the purpose of the noise study that was performed.

Duiven stated that the applicant volunteered to have the noise study done and noted that the General Plan allows for a certain amount of noise in the downtown. He discussed the findings of the noise study stating that study showed projected levels to be within the standards allowed and the applicant's plans include adding additional measures to reduce the impacts even further. He also noted that Oakville Grocery and Healdsburg Bar and Grill both have outdoor dining patios adjoining the Plaza.

Chair Civian invited the applicant to speak.

Dustin Valette the project applicant stated that he and his team listened to the concerns voiced by the community and the Commission. He noted that they are making minimal changes to the façade and stated that they followed the Design Guidelines which promote mixed use projects. He stated that he contacted Ralph Tingle the owner Felix and Louie's and was able to confirm that it operated as a 250 seat restaurant. He expressed his desire to create a space that serves as a gathering place for families.

Cass Calder Smith, the project architect pointed out that projects have a potential to have a positive effect, not just a negative effect and opined that this project will affect the plaza area in a positive way. He reiterated that this project is mixed use and not just a restaurant. He stated that he feels that the input and comments to date have helped make this a better project. He discussed the changes proposed to the building in relationship to the existing and building history. He noted that the allowable floor area ratio for the property is 300% and they are using less than 150%. He discussed their planned construction phasing to minimize the impacts to the existing retail businesses in the space.

Craig Ramsey spoke about economic considerations offered to the existing tenants.

At the request of Commissioner Tracy, Valette described the dining and menu plan for the restaurant.

Commissioner Bottarini asked why the dining on the terrace was pushed back further from the face of the building.

Smith stated that it was in response to comments made by the public and the Commission.

Commissioner Bottarini asked if the long range plan (40-50 years) leaves room for the option of a second story access without going through the front of the building.

Smith stated that it could be done on the south west corner of the building.

After a break, Chair Civian recalled the meeting to order.

Chair Civian opened the public input portion of the hearing.

Jim Walter, 404 Fairway Drive, expressed his support for the project asking what the plaza would look like today if approval for Hotel Healdsburg had been blocked. He opined that with the recent loss of several restaurants downtown there is a need for this restaurant.

Ted Calvert, Healdsburg, expressed his opinion that the plans of today set the precedent for tomorrow. He stated that there is a need for a successful business as well as preservation of small town character.

Michelle McConnell, Plaza Gourmet, expressed her support stating that it is important to maintain local businesses. Growth is needed.

Paul Jaffe, Copperfields, spoke in support of the project and stressed the importance of long term tenants noting that there has been a book store in the building for over 30 years.

Lea Herrick, Healdsburg, stated that this project represents what she is looking for in the downtown. She was very supportive of having a larger restaurant in the downtown.

David Wilhelm, 243 Center Street, expressed his support for the size of the restaurant and the second floor outdoor dining.

Holly Hoods, 237 Grant Avenue, cited the history of multi storied buildings in the downtown. She expressed her support for the outdoor dining and opined that the project is designed to comply with the Design Guidelines.

Ilene Urdon spoke on behalf of Bridgette Manselle reading the letter that was submitted to the Commission expressing concern about the scale of the project.

Heidi Marino, Healdsburg, asked “why here” and opined that the project violates the General Plan.

Robert Nuese, Healdsburg, rebutted the numbers given for seating at Dry Creek Kitchen and Hotel Healdsburg stating that the number represents different spaces that are not all used at one time. He opined that this project is not small in scale and average sized restaurant in the downtown should be what is used for comparison.

Andrea Cochran, 207 North Street, stated that she shops at both the book store and an the Plaza Gourmet. She stated that she is happy that another wine tasting use is not being proposed. She expressed her support for the restaurant’s size, the building design and how the project fits into the neighborhood.

Hank Skew(sp), Healdsburg, stated that while he likes the applicant he can’t support the project. He expressed concerns about the increase in tourists and 2nd home owners.

Warren Watkins, Healdsburg, stated that there is big money needed for the project and opined that there is big pressure being put on the Commission to approve the project. He expressed concerns about further disturbing the downtown with the construction. He stated that the restaurant is too large and this is the worst location for a 200 seat attraction.

Doug Keane expressed his support for the project citing the loss of several restaurants in the past year. He commended the applicant for being willing to take the risk. He also stated that Dry Creek Kitchen does use their seats. He expressed his support for the design.

Janis Watkins, Healdsburg, commented about small scale stating that the number of seats is out of scale with the businesses in the plaza. She opined that Felix and Louie’s is not a good comparison because it was only one floor and included a music venue. She asked if the seat count is going to be enforceable. She stated that price point of the menu should not influence the decision.

Marilyn Joyce, Healdsburg, expressed concerns about approvals being granted based on the applicant’s good intentions. She opined that the use is not compatible with the surrounding businesses citing noise, pedestrian and vehicle traffic and parking. She stated that a responsible decision would be for a more scaled down restaurant.

Jim Winston, Healdsburg, stated that the applicant has done wonderful things but the project approval should be based on merit. He opined that the project is inconsistent with the General Plan. He stated that 231 seats does not meet the intent but that he could support 90 seats.

Amy Trucco, Windsor, said that she is a server and commented that the money for servers in Healdsburg is not in wages but in tips. If this project is not approved what will go in its place?

Dan Garcia, expressed his support for the project. He noted that when there was a restaurant in that location that side of the Plaza was vibrant and bustling.

Angelica Chesley, stated that this decision will affect the downtown for years to come. She stated that the town needs to adapt to change. She expressed her support for the project.

Brian Sommer, Healdsburg, stated his support for staff, stating that the lay people should trust the staff and the business owner to determine what will work. He stated his belief that this project is small in scale. He stated that the only other rooftop terrace in town goes to the curb and this project should be allowed to do the same.

Will Seppi, 417 Healdsburg Avenue, reminded the audience and the Commission that the issue here is whether or not this project is consistent with the General Plan, the Land Use Code, the Design Guidelines and CEQA.

Jake Garzini asked what is small in scale and large in scale.

Joe Anderson, Healdsburg, stated that this has been a great process. He stated that integrity is a part of the decision. He stated that he would like to see the terrace pushed out to the front of the building.

David Fannuci, Healdsburg, spoke about the applicant and the choices he has made including his commitment to bring locals back to the area. He stated that a larger restaurant has a better chance of being successful.

Bruce Abramson, Healdsburg, stated that he would not be here if the restaurant was on one floor and 80-100 seats in size. He stated that the project is inconsistent with the purpose of the district. He opined that this restaurant is 2.5 times larger than any other restaurant on the plaza. It is not small scale in comparison. He noted that Dry Creek Kitchen is large but is a part of the hotel complex.

Ariel Kelley, Healdsburg, stated that this has been a thorough process and it is good to see the Design Guidelines being put to use. She expressed her support for the design. She opined that the project provides a positive gain in many aspects.

Skip Brand, Healdsburg, expressed his support for the project and its mixed use.

Tessa Kraft, Healdsburg, asked if the parking figures included what is needed for employees. She expressed concerns about parking.

Tim Unger, 331 Plaza Street, expressed concerns about growth and businesses that provide low paying jobs further impacting the availability of housing. He opined that the recent ordinance proposed to require new hotels to contribute to affordable housing should be extended to restaurants.

Cynthia Ariasta, restaurant owner, commended the applicant for being willing to invest in a restaurant. She provided profit and loss information for a 190 seat restaurant stating that in order to make this restaurant work he needs to have the seats.

Bob Valette stated that he is in favor saying it is a beautiful project that meets the criteria.

Chair Civian invited the applicant to provide summary comments.

Dustin Valette, stated that he is motivated to protect the building. He stated that his understanding of the intent of "small scale" is to prevent box stores and formula businesses. If this is not small scale, he questioned the approval of Hotel Healdsburg. He stated that the size of the restaurant is what allows the project to support two companion businesses, the kitchen store and the bookstore. He asked if this project does not go through what will go there. He touted the value of a mixed use project. He expressed his passion for the project.

Chair Civian closed the public input portion of the hearing.

After a short break, Chair Civian recalled the meeting to order.

Chair Civan asked staff to respond to questions asked during public comment.

Director DeRosa addressed the following:

- Could terrace planters be moved: The Commission is approving the project as shown. If the planters were to be moved and seating was added it would be considered an intensification of use requiring further review.
- Events: The project description does not include events which would require a conditional use permit.
- Small scale: The General Plan talks about no formula franchise businesses. Staff has made the determination that this project does meet the intent of that policy. The project

does meet the intent of maintaining small scale in how you experience the plaza through breaking up the store front into 3 businesses.

- Does the parking requirement take into account employee parking: Yes, parking demand was calculated for each of the uses and includes employees

Commissioner Petrik asked if removal of the vegetation on the terrace would constitute an intensification of use.

Duiven stated that if seats were added it would be an intensification of use.

A general discussion ensued with the Commission concurring that their intent was that the activity be moved back on the terrace.

Chair Civian asked for comments from the Commission regarding the design review.

Commissioner Petrik stated that he feels the project is exceptionally well designed.

Commissioner Bottarini said that he is in favor of the design but opposed to the addition of the landscaping at the front of the terrace stating that it was not a part of the previous discussion.

Commissioner Breznikar stated that she thinks it is a beautifully design project and that the applicant has addressed the Commissions concerns.

Commissioner Tracy stated that overall the project is consistent with the Design Guidelines. He stated that it is critical that the second and third floors are set back from the plaza.

Commissioner Luks addressed Mr. Watkins statements that the Commission is under a lot of pressure. He stated that despite the intensity of participation, this is just another civilized, thoughtful meeting in a civilized thoughtful process. He and his fellow Commissioners can separate the wheat from the chaff. It is not an issue. With regard to the design, his previous concerns regarding mass and height have been addressed. He stated that the additional terrace setback respects the scale of the plaza. From a design review perspective it is a good building.

Chair Civian expressed his support of the design and cited his exposure to public plazas in other countries and stated that the terrace adds to the vibrancy of the plaza.

He asked the Commission to discuss CEQA.

Commissioner Luks expressed concerns about the ability to make distinctions if other, similar projects were proposed. He stated that he has come to the conclusion that this does not set a precedent because of the width of this building as compared to other buildings on the plaza. He is comfortable that a distinction can be made.

Commissioner Tracy thanked Mr. Seppi for reminding the audience that what is under consideration is consistency with the General Plan, the Land Use Code, the Design Guidelines, and CEQA. He noted the professional studies that have been done to address the consistency and mitigation measures and stated that he is comfortable with the results.

Chair Civian asked the Commission to address General Plan consistency.

Commissioner Tracy stated that he is comfortable with the plan as a whole being consistent with the General Plan.

The Commission directed itself to comments regarding consistency with the Land Use Code.

Commissioner Luks noted that the land use code states that projects should promote small scale uses that would not function effectively off of the plaza. He stated that he feels that there is evidence that this operational definition of small scale is supported. He cited the function of mixed use supporting the preservation of two stores that would not function effectively outside of the plaza. The other compelling evidence is that the same rules were used to approve Hotel

Healdsburg. The way that that complex operates is the best evidence that this project will be a benefit to the plaza reflecting the intent of the district.

Commissioner Tracy stated that he initially had concerns about the scale. In absence of a definition for small scale and with no precedent for specifying a particular limit on the number of seats, basing the determination of scale on the number of seats would not likely be legally supportable. He stated that he is comfortable with the consistency.

Commissioner Breznikar stated that the word "small" keeps coming up in conjunction with the special purposes of the district. She stated that she would like to address the phrase "promote uses". Uses are not the buildings, uses are what happens inside of the building. She stated that the number of chairs is large and out of scale. She stated that the restaurant could be anywhere. It does not need to be on the plaza. She expressed her concern that approval of this use would set a precedent allowing more large uses on the plaza.

Commissioner Petrik stated that this project has been tough for him to look at. He stated that this is an exceptionally well designed project. The food concept is exciting. He stated he has had a difficult time squaring the project with consistency with the plain purposes of the district. The Commission's roll is to impartially evaluate and appraise the legal standards according to their judgement. The existing uses are the benchmark of special character and small scale uses. We can't go back in time. This is a large restaurant by any measure. Volume is going to be important to be financially sustainable. This means more pedestrian and vehicle traffic. The Plaza is a special space beyond its physical features. He stated that he is not sure that the project will be harmonious with the character of the Plaza. The restaurant could happen elsewhere in town because it is a destination business. He rhetorically asked how the Commission would vote if an out of town developer were the one proposing this project. If this project is approved does it open the door for other developers to similarly redevelop buildings on other sides of the Plaza? If it is time to change the purpose of the Plaza to allow larger businesses. If so this should be done as a deliberate act with community involvement to redefine the purpose of the district. He stated that he can't find the project consistent. He stated that he would like to see the City Council address the issue of the size of restaurants.

Commissioner Bottarini thanked Commissioner Petrik for his well thought out statement and offered his disagreement. He stated that the key word is "promote". If the word was require, request, or more directive he would agree. In this case it says promote small scale. It does not say exclude larger scale. People are adding words that do not exist (in the ordinance). If we all agree that the building is appropriate, how do we fill that building. This project is going to promote two small scale businesses. It includes 2 small scale spaces. It doesn't say that it all has to be small scale. The word "promote" changes everything. He expressed his support for the project.

Chair Civian stated that he had looked back at minutes from the 1980's and at one time they were looking at not allowing book stores on the Plaza because they thought they were too boring. He stated that this serves to highlight the fact that things change and people's ideas change. The role of the Planning Commission often is a very narrow perspective for decision making. But, they also have broad discretion. The Commission can look at a project and review all of the checklists and say they've got 99 out of 100 and decide there isn't a problem. He acknowledged that the approval goes with the land not the people so the Commission has to consider the quality of the project and whether or not it benefits the community. He stated that he supports the project. He stated that he particularly supports the project with the evidence that Hotel Healdsburg was built under the Plaza Retail special purposes. If that project was approved how can we say no to this one?

Commissioner Luks asked to make a change to the conditions of approval item 10 striking the words "during the construction period" and to extend the term to a period of 15 years from the date of issuance of a building permit for the project.

Chair Civian asked the applicant to provide his consent to the change in conditions.

Valette agreed to the change to condition 10,

Commissioner Tracy reiterated a previous observation.

City Attorney Zutler asked for a clarification of the proposed wording of the change.

On a motion by Commissioner Luks, seconded by Commissioner Bottarini the Commission voted 4-1-2 (Petrik no, Breznikar and Eddinger abstain) to approve Design Review DR 2018-03 for remodel and multi-story addition to an existing one-story building for a restaurant with roof top deck, retail spaces, 2 residential units on top floor, and parking lot improvements; and Conditional Use Permit CUP 2018-05 for 2 residential units over retail in the Plaza Retail District with one minor change to the conditions of approval extending the condition for replacement of the trees on the Matheson Street frontage from during the construction period to 15 years following the issuance of a building permit.

5. NEW BUSINESS: None

6. COMMISSIONER AND SUBCOMMITTEE REPORTS: None

7. DIRECTOR'S REPORT: Director DeRosa reported that she and Commissioner Breznikar will be attending the Planning Commissioner's Academy March 7-9.

The meeting was adjourned at 9:46 PM.

Maya DeRosa, Secretary

Jeffrey D. Civian, Chair