



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE Appeal of Chris Henry Offices / 660 Bridgeway/ CUP 08-002

RECOMMENDATION

Review and approve the attached draft resolution which denies the appeal and affirms the Planning Commission's approval of the conversion of the second floor tenant space to offices at 660 Bridgeway.

SUMMARY

On January 28, 2009, the Planning Commission approved an office conversion to be located on the second floor of the commercial building at 660 Bridgeway. On February 9, 2009, Mike Monsef appealed the Planning Commission's approval of the office conversion (see **Attachment 2** for Appeal).

BACKGROUND

Table 10.24.1 (Land Uses Allowed in the Commercial District) of the Zoning Ordinance requires a Conditional Use Permit (CUP) for conversion of an existing or previously-existing drinking/eating establishment to offices in the Central Commercial (CC) Zoning District. In order to approve a CUP, the Planning Commission (or City Council on appeal) must make four findings listed in Section 10.44.250 and nine findings listed in Section 10.60.50 of the Zoning Ordinance (see **Attachment 3** for listing of required findings).

On February 25, 2008 and April 7, 2008, the Historic Landmarks Board (HLB) reviewed a CUP proposal by property owner Chris Henry for the conversion of a vacant tenant space into offices as well as interior and exterior renovations to the building. The second story had been previously occupied by a restaurant (Houlihan's). The building is listed as a Noteworthy Structure in the Downtown Historic Overlay District. After deliberation the HLB voted 2-1 (Monsef-No) to recommend Planning Commission approval of the conversion with the condition that "the applicant include mitigations to prevent unsightly views into the building," such as tinted windows and lease restrictions on storage in front of the windows.

On April 23, 2008 the Planning Commission reviewed the CUP with a Design Review Permit application. Concerns regarding the potential impact of an office use on the vitality of the downtown and the loss of public access to views from the former Houlihan's restaurant space were raised by the Planning Commission. The property owner requested and received a continuance to revise his proposal.

On November 5, 2008, the Planning Commission and the HLB held a joint meeting and reviewed a CUP and Design Review Permit application to allow for a nine-room hotel and building façade improvements. After public testimony and discussion, the hearing was continued to a date uncertain to allow the property owner to address the following concerns:

- The proposed architectural design and building renovations as related to the historical integrity of the noteworthy building;
- Whether a hotel is an appropriate use of the building;
- Parking; and
- Hours of construction.

After reviewing a range of alternative uses including a hotel, second floor retail, and food service, the property owner determined that an office use was the only economically feasible use. The property owner's revised proposal included the following actions.

1. Convert the vacant second story tenant space (4,752 square feet) into offices;
2. Construct new interior wall partitions;
3. Install new ADA bathrooms;
4. Install new ADA elevator/lift, installation of fire sprinklers; and
5. Repair dry rot.

No exterior modifications of the building were proposed as part of the project; therefore a Design Review Permit and HLB review were not required.

On January 28, 2009, the Planning Commission held a public hearing on a CUP for the revised project and voted 3-1-1 (Bair – No; Stout – Absent) to approve Resolution No. 2009-07 which approved the office conversion. See **Attachment 4** for the Planning Commission staff report; see **Attachment 5** for Planning Commission Resolution No. 2009-07; and **Attachment 6** for the Planning Commission Minutes.

GROUNDS FOR APPEAL

On February 9, 2009 Mike Monsef filed an appeal of the Planning Commission's decision. On February 17, 2009, the appellant submitted an addendum to the appeal. The appeal and addendum list six grounds which are summarized below in *italics*, followed by staff comments (see **Attachment 2** for the appeal and addendum).

Ground 1. *"It is vital this building be utilized by retail uses."*

The project site is designated Central Commercial in the General Plan. Table 2-1 (General Plan Land Use Categories) states the following for Central Commercial land use designation:

"This designation describes the intense retail shopping area serving residents and visitors. First floor uses should be retail commercial with general offices and residential uses on the upper floors of the buildings in this area [Emphasis added]."

The General Plan also contains a series of objectives, policies, and programs to further the City's vision. The following General Plan objectives and policies address the appellant's first ground for appeal:

*Appeal of Chris Henry Offices/CUP 08-002
660 Bridgeway*

Objective LU-2.0

Promote and enhance Commercial Economic Diversity. Promote and enhance economic viability of all commercial areas throughout the City, while continuing to recognize residential needs, by establishing distinct commercial districts that preserve a variety of uses serving residents and visitors.

Policy LU-2.1

Retain the boundaries of the visitor serving commercial area in the Downtown, as described in Table 2-1 and shown on the General Plan Land Use Map GP-4, to provide a clear distinction between the visitor serving commercial activities and neighboring residential uses.

Policy LU-2.2

Work with affected downtown business interests to enhance the economic diversity of the area.

Policy LU-2.4

Emphasize visitor-serving commercial uses in the Downtown area while not discouraging uses which also serve residential needs.

The Central Commercial General Plan land use designation is clear in identifying that ground floor uses in commercial buildings should be for retail uses, whereas the second floor uses be utilized for offices and/or residential. Additionally, a mixed-use commercial industry standard is to locate retail on the ground floor and office and/or residential on the upper floors, hence the property owner's request for a marketable use (offices based on the size and internal layout of the suites) is consistent with the General Plan.

The over-arching theme of the aforementioned objective and policies is the goal of providing economic diversity within the Central Commercial land use designation. In researching the land use inventory of the Central Commercial land use designation, the following 93 business licenses are currently active:

- 58 Retail Stores (63%)
- 17 Restaurants, Cafes, Ice-Cream Stores, Deli's (18%)
- 14 Offices (15%)
- 4 Hotels (4%)

Retail and restaurant uses, account for 81% of the business licenses in the Central Commercial land use designation. Offices currently account for 15% of the business licenses. It is clear from this data that retail uses outnumber office uses. Additionally, four office suites would contribute to the economic diversity of land uses in the subject land use designation by expanding the offices uses. With approval of the office conversion, the following percentages would be present in the Central Commercial land use designation:

- 59.8% Retail Stores
- 17.5% Restaurants, Cafes, Ice-Cream Stores, Deli's
- 18.6% Offices
- 4.1% Hotels

In summary, staff agrees with the appellant's contention that retail land uses located in the subject building is important. The project site will maintain its retail uses on the ground floor and provide for second floor offices uses, which is consistent with the Central Commercial land use designation. While an office conversion will increase economic diversity within the downtown, the City Council may determine other uses of the upper floor would provide a more desirable mixture of businesses and economic diversity in the downtown, consistent with the policies and goals of the Central Commercial land use designation.

Ground 2. *"In this declining economical condition, and having already lost one of our few hotels in town, the Alta Mira Hotel, to drug rehabilitation, it would be wise to look for replacement of our loss of guest rooms by bringing in possible hotels or bed and breakfast locations. The T.O.T [Transient Occupancy Tax] generated from a bed and breakfast will be more substantial than fees that would be generated by offices. There would also be additional sales tax generated by guests patronizing our shops and restaurants. These revenues would much be better than the fees the city would collect from issuing business licenses on the four offices that are being proposed."*

Table 10.24-1 (Land Uses Allowed in the Commercial District) of the Zoning Ordinance identifies the land uses permitted and conditionally permitted within the Central Commercial (CC) Zoning District. A CUP is required for office conversions, hotels, and bed and breakfasts.

As noted above in the *Background* section of this Report, the property owner considered a nine-room hotel with architectural modifications to the building; however the property owner subsequently determined that the improvements for a hotel would be cost prohibitive.

Staff concurs that Transient Occupancy Tax (TOT) is an important revenue source for the City and that a hotel would provide more economic diversity within the CC District. However, the fiscal benefits of TOT versus the tax benefits of an office conversion are beyond the scope of this staff report and should not factor into the City Council's decision making.

In summary, staff understands the applicant's constraints and the appellant's concerns. An office use will be compatible with the building since fewer exterior modifications to the noteworthy structure would be required and an office use would contribute to Sausalito's economic diversity. In addition, an office use would be consistent with the General Plan by providing second floor offices above retail uses. Additionally, during these difficult economic times it is important to recognize that the property owner is willing to invest in tenant and building improvements to ensure the second floor space will not remain vacant. Lastly, the market will determine whether a second floor office use is viable. If it is not, then the property owner will consider other uses as allowed in the CC District. Conversely, the City council may consider that the existing office uses within the CC District provide adequate economic diversity and that an alternative use, such as a hotel, may provide greater economic diversity and more consistency with the intent of the General Plan.

Ground 3. *“ . . . the decision of converting spaces from the retail use to office use would totally reverse the decision of the City during the early 70's when they exchanged the parking lot in front of the Purity Market to convert it to Yee Tock Chee Park for the benefit of all the public, not for just a few, and the retail use was kept- with no parking requirement, which was grandfathered for the future.”*

On August 15, 1967, the City Council approved CUP No. 364 which allowed the conversion of the former Purity Market on the project site to a mixed-use commercial building. Six retail tenant spaces were approved for the first floor and a 60-seat restaurant was approved for the second floor. The primary issue related to the subject CUP was parking, not views (see **Attachment 7**, 1967 minutes from the Planning Commission and City Council hearings). In 1968, the City Council entered into an agreement with the property owner of 660 Bridgeway to exchange private property to be converted to a public park for relief from providing 31 parking spaces to accommodate the increased parking requirement related to the mixed-commercial use project (see **Attachment 8**, Trident Productions Agreement).

In 1972, the City Council approved Variance No. 314 which relieved the property owner of a requirement to provide 12 on-site parking spaces and allowed an increase in restaurant seats from 60 to 108. The findings and recommendation in the Planning Commission staff report identified the second floor as having “prominent” views. However, those views were found to only benefit the restaurateur and his customers (see **Attachment 9**, 1972 Planning Commission Staff Report and **Attachment 10**, June 20, 1972 City Council Minutes). No mention was made regarding the need for the restaurant to provide views for the general public.

In summary the proposed office conversion is consistent with the past land use decisions made regarding the project site. The 1968 agreement does not preclude future uses of the site which have a lower parking requirement. An office use will have a lower parking requirement than the previous restaurant use. The cumulative land uses within the building, including the proposed office conversion, will have a parking requirement which does not exceed 31 parking spaces.

Ground 4. *“When the current owner of the purchased the property, he was well aware of the problem of handicap access for the building. To this date, the owner has not attempted to address this problem. Handicap access has been the only detraction holding back any possible tenant from leasing space. It was the same problem that the previous owner had and is the reason he sold the building.”*

Section 1134.B (Accessibility for Existing Buildings) of the 2007 California Building Code (CBC) identifies minimum standards for providing accessibility upgrades to existing buildings based on the valuation of the construction (see **Attachment 11**, Section 1134.B of the 2007 CBC).

Any use locating on the second floor of the project site will require a building permit for tenant improvements. Accessibility upgrades will be provided based on the valuation of the building permit. Section 1134.B of the 2007 CBC states that “where the cost of providing an accessible entrance, path of travel, sanitary facilities, public phones and drinking fountains is disproportionate to the cost of the project; that is, where it exceeds 20% of the cost of the project without these features,” a hardship could exist. In a hardship situation, accessibility improvements are still required provided they do not exceed 20% of the cost of the project. In choosing which accessible elements to provide, priority is given to those elements which

provide the greatest access, such as accessible entrances, routes to the altered area, restrooms for each sex, accessible telephones, drinking fountains, etc.

In summary, the office conversion will require mandatory accessibility upgrades to the building prior to occupancy of the second floor to ensure greater public, health, safety, welfare, and access and use of the second floor.

Ground 5. *"If our role is to preserve the era of the 40's at that location, we should concentrate on the activities and the general ambiance that was created at that time which was a market with a lot of use by our residents."*

As discussed above in the analysis of Ground 1, the General Plan provides a clear description of the intent and land uses for the subject Central Commercial land use designation. Additionally, the Zoning Ordinance implements the General Plan and by identifying specific land uses appropriate for the CC Zoning District. If the City determined it was important to preserve the era of the 1940's to concentrate activities reflective of that time, appropriate General Plan goals, policies, and objectives could have been established. However no such goals, policies, and objectives are contained in the General Plan regarding the preservation of 1940's ambiance.

The general ambiance of the project site has changed drastically since the 1940's. The site used to contain a Quonset hut structure with an adjacent paved parking lot. The ambiance of the site changed when the City and a previous owner of the property entered into an agreement to dedicate private property to the City for public use in order to satisfy a parking requirement for the conversion of the Purity Market into a mixed-use commercial building. The existing open market ambiance of the ground floor retail uses and its architectural integration into the public park provides the panoramic view and ambiance today. The aforementioned modifications occurred in the early 1970's. The proposed office conversion of the second floor will neither detract from the existing ambiance of the building, nor the building's relationship with Yee Tock Chee Park. Lastly, during the 1940's through the middle of the 1960's when the Purity Market existed, there is no record that the second floor of the building was available to the public.

In summary, the office conversion will not alter the appearance and/or ambiance of the building or Yee Tock Chee Park because no exterior modifications to the building and/or the park are proposed. Furthermore, the second floor office use will not preclude the public from utilizing the park and/or the ground floor retail businesses. Lastly, the office use is consistent with the General Plan's Central Commercial land use designation and will be consistent with the goals, policies, and objectives identified in the General Plan. However, the City Council may consider that the building and its previous uses created a synergy of activity which contributes to the ambiance of the site and that public-promoting uses which create a similar synergy should be considered.

Ground 6. *"If offices on the waterfront are prohibited in one section of town, then they certainly should be denied in this area, too. Any approval of offices won't show its impact on the waterfront until some years in the future."*

The appellant suggests that the City should revise its policy on allowing offices within the Central Commercial land use designation so that it is similar to the Waterfront land use designation which restricts office uses. The following table lists regulations regarding office conversions and establishment of new offices in various zoning districts.

Land Uses Allowed in Commercial Zoning Districts	Central Commercial CC	Commercial Neighborhood CN	Commercial Waterfront CW	Waterfront Marinship W-M
Office Conversions of existing or previously existing drinking/eating uses	CUP	CUP	CUP	Prohibited
Offices (New or Replacement)	Permitted	CUP	CUP	Prohibited

Application of the above zoning regulations has established a varied land use pattern regarding offices along the Sausalito waterfront as follows:

- Southern portion of the City: Predominately residential. No office uses on the waterfront within the CN District.
- Downtown Commercial Core: Mixed-use commercial. Fourteen offices located within the CC District.
- Central Waterfront: Maritime and commercial uses. There are a few existing offices within the CW District.
- Marinship: There are existing commercial offices which predated the Marinship Specific Plan. No new offices are permitted within the W-M District.

In reviewing Ground 6, the Zoning Ordinance states that if the findings to permit a CUP and Office Conversion can be made, then an office can be allowed in the building. The findings listed in Planning Commission Resolution No. 2009-07 indentify the reasons the Planning Commission determined that an office conversion is appropriate.

In summary, an office conversion is an appropriate use in the Central Commercial land use designation as supported by the information contained in this report relating to General Plan and Zoning Ordinance consistency. Until the Zoning Ordinance is changed, offices uses and conversions are identified as uses which contribute to the economic diversity of the CC District. Furthermore, the Office Conversions and CUP findings can be made as shown in Planning Commission Resolution No. 2009-07. However, if the City Council is not able to make the findings to support the office conversion, then consideration should be given to upholding the appeal.

PUBLIC CORRESPONDENCE

Derek Weller, representing the property owner Chris Henry, submitted a letter provided as **Attachment 12**. Correspondence received since the January 28, 2009 public hearing is provided as **Attachment 13 and Attachment 14**. Correspondence submitted after the writing of this staff report will be posted on the City's website (<http://www.ci.sausalito.ca.us/>) and available at the City Council public hearing.

STAFF RECOMMENDATIONS

Staff recommends the City Council take the following actions:

1. Review and make any appropriate modifications of the attached draft resolution which denies the appeal and affirms the Planning Commission's approval of the conversion of the second floor tenant space to offices at 660 Bridgeway; and
2. Approve the resolution.

Alternatively, the City Council may:

3. Uphold the appeal and direct staff to return with a resolution with appropriate findings to deny the project;
4. Continue the public hearing for additional information and/or project revisions.

ATTACHMENTS

1. Resolution of Denial (Draft)
2. Appeal, date-stamped February 9, 2009 and February 17, 2009
3. Findings Required for Office Conversions and CUPs
4. Planning Commission Staff Report dated January 28, 2009
5. Planning Commission Resolution No. 2009-07
6. Planning Commission Minutes dated January 28, 2009 [excerpts]
7. Planning Commission and City Council Minutes from 1967 [excerpts]
8. Agreement between City Council and Trident Productions, dated March 13, 1968
9. Planning Commission Memorandum, dated March 30, 1972
10. City Council Minutes from June 20, 1972 [excerpts]
11. 2007 California Building Code -- Section 1134.B
12. Letter from Weller date-stamped March 31, 2009
13. Letter from Mindel, date-stamped March 30, 2009
14. Petition to support more retail uses, date-stamped April 1, 2009.

REPAIRED BY:



Heidi Burns, AICP
Associate Planner

REVIEWED BY:

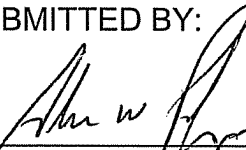


Jeremy Graves, AICP
Community Development Director

REVIEWED BY:

Mary Wagner
City Attorney

SUBMITTED BY:



Adam W. Politzer
City Manager

RESOLUTION NO. XXX

**RESOLUTION OF THE SAUSALITO CITY COUNCIL DENYING AN APPEAL TO
ALLOW A FORMULA RETAIL SUBWAY RESTAURANT AT 1907 BRIDGEWAY
(CUP 08-002)**

WHEREAS, on November 17, 2007, the applicant, Chirayu Patel filed an application for a conditional use permit to allow a formula retail use for a Subway restaurant within an existing commercial building at 1907 Bridgeway (APN 064-141-05); and

WHEREAS, on June 11, 2008, January 14, 2009, and January 28, 2009, the Planning Commission conducted duly-noticed public hearings, considered the information contained in the respective staff reports, and considered testimony by all interested persons regarding the proposed project; and

WHEREAS, on January 28, 2009, the Planning Commission adopted Resolution 2009-06 which denied Conditional Use Permit CUP No. 07-008 to allow a formula retail use to allow a Subway Restaurant to be located within the commercial building at the project site; and

WHEREAS, on February 9, 2009, property owner Kenneth Niles filed a timely appeal of the Planning Commission's approval of CUP No. 07-008; and

WHEREAS, on March 24, 2009, the City Council conducted a duly-noticed public hearing on the appeal, considered oral and written testimony, and considered information in the staff report; and

WHEREAS, the City Council confirms that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15303(c) of the State CEQA Guidelines; and

WHEREAS, based on the record of this proceeding, including the testimony and materials received and described above, the City Council finds that the Planning Commission did not err in its decision to deny CUP No. 07-008.

NOW, THEREFORE, THE CITY COUNCIL HEREBY FINDS AND RESOLVES AS FOLLOWS:

SECTION 1. The City Council hereby denies the appeal and upholds the decision of the Planning Commission.

SECTION 2. The City Council hereby affirms, incorporates, and expands upon the findings outlined in Planning Commission Resolution No. 2009-07 as provided herein as Attachment 1.

*Attachment 1
(4 pages)*

*5A
9*

RESOLUTION PASSED AND ADOPTED at the regular meeting of the City of Sausalito City Council on the ----- day of -----, 2009, by the following vote:

AYES: Councilmember:
NOES: Councilmember:
ABSENT: Councilmember:
ABSTAIN: Councilmember:

Jonathan Leone, Mayor
City of Sausalito

ATTEST:

Debbie Pagliaro
Deputy City Clerk

I:\CDD\PROJECTS - ADDRESS\A-B\Bridgeway 1907\CUP 07-008\Resolution No - deny appeal at 1907 bridgeway.doc

CITY COUNCIL RESOLUTION

April 7, 2009

CUP 07-008

1907 BRIDGEWAY

ATTACHMENT 1

FINDINGS

I. FORMULA RETAIL FINDINGS

The proposed project is **not** in conformity with the required Formula Retail Finding established in the Zoning Ordinance Section 10.44.240.D.1, 2, 4, 5, and 7.

1. "The Formula Retail establishment will be compatible with existing surrounding uses, and has been designed and will be operated in a non-obtrusive manner to preserve the community's distinctive character and ambiance."

The Neighborhood Commercial (CN) District is characterized by two blocks of small commercial establishments. All of the existing commercial uses within the subject District are small in scale and locally owned with individualized signage and unique frontages, with the exception of the 7-11 Formula Retail use located at 1901 Bridgeway, the same building in which the Subway Restaurant is proposing to locate. The location of two Formula Retail establishments in one building will detract from the Spring Street Valley neighborhood planning area and will create an obtrusive appearance which detracts from the distinctive character and ambiance of the community.

2. "The Formula Retail establishment will not result in an over-concentration of formula retail establishments in its immediate vicinity or the City as a whole."

The location of the proposed Subway Restaurant will create an over-concentration of Formula Retail uses on the site. The project site consists of a 5,000 square feet commercial building with three tenants. The existing tenants which occupy the building are a Formula Retail "7-11" food store and a local laundry. The addition of a second Formula Retail establishment to a building which currently contains a Formula Retail establishment will be an over-concentration of Formula Retail establishments if two-thirds of the tenant spaces are occupied by Formula Retail establishments.

4. "The Formula Retail establishment will contribute to an appropriate balance of local, regional or national-based businesses in the community."

As discussed in finding 2, the Subway Restaurant Formula Retail establishment will create an over-concentration of national-based businesses within the immediate vicinity and off-set the balance of local and regional businesses within the CN District.

5. The Formula Retail establishment will be mutually beneficial to and would enhance the economic health of surrounding uses in the district."

As discussed in findings 2 and 4, the over-concentration of Formula Retail uses within the immediate vicinity of the project site will be detrimental to the economic health of the local businesses due to a redundancy of local and existing Formula Retail restaurant and food service uses within the CN District.

7. "The proposed use, together with its design and improvement, is consistent with the unique historic character of Sausalito, and would preserve the distinctive visual appearance and shopping experience of Sausalito for its residents and visitors."

The CN District and the City's other commercial areas are defined by a variety of smaller retail and service establishments. It is this "small scale eclectic ambience" (Section 10.44.240.A) that contributes to the distinctive visual appearance and shopping experience of Sausalito for its residents and visitors. The presence of locally-owned businesses with ties to the community is also central to Sausalito's character. The introduction of another Formula Retail establishment in one small commercial center will detract from this community character.

II. ENCROACHMENT AGREEMENT FINDING

- A) The proposed project does not comply with the following required finding established in the Zoning Ordinance Section 10.56.060.B: "The encroachment will not adversely affect the usability or enjoyment of adjoining parcels nor create or extend an undesirable land use precedent.

The encroachment agreement to allow the use of eight public parking spaces will adversely affect the availability of the public parking spaces and create an undesirable land use precedent due to the following reasons:

1. *The public parking spaces are well used by the public to support surrounding land uses related to the existing commercial and residential land uses in the neighborhood.*
2. *Since the public parking spaces are well used, the additional parking demand generated by the proposed Formula Retail establishment will result in additional parking impacts on the limited number of parking spaces in the existing residential neighborhood.*
3. *The loss of the public parking spaces for the exclusive use of the Subway Restaurant will negatively impact adjacent businesses in the neighborhood.*

CITY OF SAUSALITO
APPEAL OF PLANNING COMMISSION DECISION
OR HISTORIC LANDMARKS BOARD DECISION

Community Development Department
420 Litho Street
Sausalito, CA 94965
415.289.4128 / 415.339.2256 (Fax)

Appellant's Name MIKE MONSEF Day Phone 415-828-3100

Appellant's Address 3001 Bridgeway #K111

Appellant's Email Address MIKEMONSEF@aol.com

Appellant's interest in the project (e.g., applicant, neighbor, etc.) Neighbor

Appellant's Signature 

Project Name and No. 660 Bridgeway office conversion

Project Address 660 Bridgeway

Date of Decision (Appeal must be filed within 10 calendar days) Jan 28 08

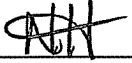
Specify the grounds of the appeal (Additional sheets may be attached, if necessary) See attached letter and I will amend my concern with additional letter

AP No. 09-001

Date Received Stamp

Fee Paid \$2587.00

Receipt Number 69703

Accepted By 

RECEIVED
FEB 9 2009
CITY OF SAUSALITO
COMMUNITY DEVELOPMENT

*Attachment 2
(4 pages)*

415 435 8097

**Monsef Enterprises
3001 Bridgeway #K1111
Sausalito, CA 94965**

RECEIVED
FEB 9 2009
CITY OF SAUSALITO
COMMUNITY DEVELOPMENT

February 9, 2009

Sausalito City Council
City of Sausalito
420 Litho Street
Sausalito, CA 94965

RE: 660 Bridgeway

Dear Council Members:

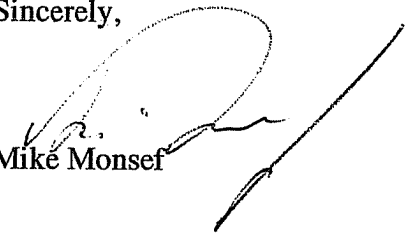
On the January 28, 2009 meeting of the Sausalito Planning Commission Item #3 was approved for a C.U.P. for office use on the second floor of the building at 660 Bridgeway.

This building is in the center of the historic district with outstanding views from all three sides and right above Yee Tock Chee Park.

This is a retail shopping area frequented by tourists and locals. It is vital this building be utilized by retail uses.

Enclosed is the appeal fee in the amount of \$2,587.00.

Sincerely,


Mike Monsef

5A
14

RECEIVED

FEB 17 2009

CITY OF SAUSALITO
COMMUNITY DEVELOPMENT DEPT.

To: City of Sausalito
Attn: City Council Members
From: Mike Monsef
Date: February 17, 2009

Re: Appeal to the Decision of the Planning Commission regarding Use Permit of 660
Bridgeway

Dear Council Members:

I first objected to the request of the new owner of 660 Bridgeway for conversion of the use permit for the second story from retail to offices while I was a member of the HLB. On Apr. 23, 2008, I brought my argument to the Planning Commission at the joint session. The decision was headed for denial of changing to offices when the applicant requested continuation of his case in order to come up with other alternatives.

On Nov. 5, 2008, the applicant brought his new proposal, which was for a Bed and Breakfast with nine rooms. This proposal was greatly embraced by the merchants and I believe by the Commission. Somehow the ball was dropped at this point by the applicant. On Jan. 28, 2009, at the Planning Commission meeting, the applicant appeared with the original proposal for offices on the second floor. With the vote of the new commission member, he was able to get approval for offices.

My objection to this decision is based solely on my concerns for the City and downtown. I do not stand to gain any financial benefit whatever the owner does with his property. In this declining economical condition, and having already lost one of our few hotels in town, the Alta Mira Hotel, to drug rehabilitation, it would be wise to look for replacement of our loss of guest rooms by bringing in possible hotels or bed and breakfast locations. The T.O.T generated from a bed and breakfast will be more substantial than fees that would be generated by offices. There would also be additional sales tax generated by guests patronizing our shops and restaurants. These revenues would much better than the fees the city would collect from issuing business licenses on the four offices that are being proposed.

In addition, the decision of converting spaces from retail use to office use would totally reverse the decision of the City during the early 70's when they exchanged the parking lot in front of the Purity Market to convert it to Yee Tock Chee Park for the benefit of the all the public, not for just a few, and the retail use was kept – with no parking requirement, which was grandfathered for the future.

Purity Market at 660 Bridgeway was built in the 1940s because it was in the path of traffic into town and from ferries. It was a gathering place for the public. In the 70s, the place was converted to a restaurant and continued to have that use until 2004 or 2005. When the current owner purchased this property, he was well aware of the problem of handicap access for the building. To this date, the owner has not attempted to address this problem. Handicap access has been the only detraction holding back any possible tenant from leasing space. It was the same problem that the previous owner had and is the reason he sold the building.

At this point I sympathize with the new owner in not being able to get clear direction from the HLB. If our role is to preserve the era of the 40s at that location, we should concentrate on the activities and the general ambiance that was created at that time which was a market with a lot of use by our residents. The significance of the airplane hanger structure is very minimal compared to the activities that took place there. Unfortunately, we have become wrapped up in the appearance of the building and not on the activity that can be generated there. As a result, the new owner is being kept idling and without a decision from the HLB.

If offices on the waterfront are prohibited in one section of town, then they certainly should be denied in this area, too. Any approval of offices won't show its impact on the waterfront until some years in the future.

I hope this Council will make the right decision to keep the retail use of this space, which includes the possibility of an inn and which will make us proud in front of our next generation.

FINDINGS REQUIRED FOR OFFICE CONVERSIONS AND CUP'S

Section 10.44.250 Office Conversions

Finding Required. In addition to the findings required by Section 10.60.50 (Findings, Conditional Use Permit), the following findings shall be made prior to issuance of Conditional Use Permits to replace any retail, commercial service, or eating & Drinking Establishment use with an office use as described above:

1. The proposed use will promote diversity and variety to assure a balanced mix of commercial uses available to serve both resident and visitor serving populations.
2. The proposed use will not result in an over-concentration of a specific use within the district.
3. The proposed use would be mutually beneficial to, and would enhance the economic health of, surrounding uses in the district.
4. The proposed use will enhance and maintain the efficient use of available public and/or private parking in the applicable district.

Section 10.60.50 Conditional Use Permit

The Planning Commission may approve or conditionally approve a Conditional Use Permit if the following findings can be made:

- A. The proposed use is allowed within issuance of a Conditional Use Permit, pursuant to Chapters 10.20 through 10.28 (Zoning District Regulations), or Section 10.46.040 (Conditional Uses), Chapter 10.44 (Specific Use Requirements) or any other applicable section of this Title 10.
- B. The proposed use is consistent with the General Plan, the purposes of the Zoning Ordinance, and the purposes of the applicable zoning district.
- C. The proposed use, together with the applicable conditions, will not be detrimental to the public health, safety, or general welfare of the City.
- D. The proposed use complies with each of the applicable provisions of the Zoning Ordinance.
- E. The proposed use or facility is properly located relative to the community as a whole and to land uses and transportation and service facilities in the vicinity.
- F. The size and shape of the subject property is adequate to provide features needed to ensure reasonable compatibility with land uses normally permitted in the surrounding area. Features may include but not be limited to yards, open spaces, walls and fences, parking, loading, landscaping, and such features as may be required by this Title or the Commission.
- G. Public utilities and facilities are or will be adequate to serve the proposed use, including streets and highways paved (and of adequate width) for the quantity and type of traffic it will generate.
- H. The proposed use will not materially adversely affect nearby properties or their permitted uses.
- I. Findings required by Chapter 10.44 (Specific Use Requirements) for approval of specific uses are made.

STAFF REPORT

SAUSALITO PLANNING COMMISSION

PROJECT: Henry Office Conversion/ 660 Bridgeway/ CUP 08-002

MEETING DATE: January 28, 2009

STAFF: Heidi Burns, Associate Planner *HB*

APPLICANT: Chris Henry

PROPERTY OWNER: Chris Henry

REQUEST

The applicant and property owner, Chris Henry, requests Planning Commission approval of a Conditional Use Permit (CUP) to convert a vacant second story tenant space located at 660 Bridgeway (065-133-25) into offices.

REGULATORY FRAMEWORK

Zoning: CC (Central Commercial)

General Plan: Central Commercial

Zoning Regulations: Conditional Use Permit Findings (Section 10.60.50)

CEQA: Class 3 categorical exemption pursuant to Section 15303 (c) of the CEQA Guidelines, New Construction or Conversion of Small Structures.

Required Permits: Conditional Use Permit

EXISTING SETTING

Subject Parcel: The 6,424 square foot parcel is located on Bridgeway at the intersection of Princess Street. The existing building currently contains a ground floor restaurant and retail shops. The second level is currently vacant and previously contained a restaurant.

Neighborhood: The subject parcel is located in the Downtown Historic District in the heart of the Central Commercial (CC) Zoning District. The site is located along the waterfront and adjacent to Yee Tock Chee Park. Adjacent uses consist of retail shops, restaurants, art galleries, and other commercial and office uses permitted in the Central Commercial zoning district.

PROJECT BACKGROUND

The 660 Bridgeway building is known for the previous location of the Purity Market and later the restaurant Houlihan's. However, prior to the construction of the Purity Market, the site contained

the Sausalito Land & Ferry Company building. Built in 1902, the Sausalito Land & Ferry Company real estate offices were located at 660 Bridgeway, and the upper floor was used for Sausalito's first public library (Sausalito Moments in Time: 1850-1950, Jack Tracy, 1983), as shown in the photograph in **Exhibit B**. The structure was later demolished in 1940 and replaced by the Purity Market building in 1941 (**Exhibit B**). In 1981, the building was remodeled to its current façade with an arched architecture common for early supermarkets. The upper story was occupied by the restaurant Houlihan's from 1980 until approximately 1998, and later occupied by the restaurant Water Street Bar and Grill until 2005. The second level has been vacant since that time.

The applicant submitted an application for new business and/or professional offices to occupy the second level on February 14, 2008.

PROJECT DESCRIPTION

The applicant is proposing a use conversion to allow for office space within the vacant second level of the commercial building. Improvements proposed to accommodate the new office include the following:

1. Construction of new interior wall partitions in the upper floor
2. New ADA bathrooms
3. New ADA elevator/lift, installation of fire sprinklers
4. Repair of dry rot.

The attached proposed floor plan for the upper level shows the proposed new walls and the existing walls to remain. No exterior building modifications, business identification signage or lighting is proposed with the application. The applicant has submitted a letter summarizing the anticipated office uses to be located in the upper floor, which include local business professionals and potentially a San Francisco Maritime Company (**Exhibit C**).

PRIOR PLANNING COMMISSION AND HISTORIC LANDMARKS BOARD REVIEW

On February 25, 2008 and April 7, 2008, the Historic Landmarks Board reviewed the use conversion proposal. After deliberation on the item with a variety of comments, the Board forwarded a recommendation of approval of the CUP to the Planning Commission with a 2-1 vote. Board Members Nichols and Theodores were in favor of the use conversion with a condition of approval included that would address their concerns with visibility of the office use from Bridgeway and Princess Street. Their concern was that the new office use would result in files and other items being stored in front of the windows that would detract from the historic character of the building. Board Members Nichols and Theodores thus recommended approval of the use conversion with a condition of approval requiring certain mitigation measures to prevent unsightly views into the building such as tinted windows, lease restrictions on storage in front of the windows, or other mitigation measure approved by the Historic Landmarks Board.

The Board did express concerns that the use conversion may negatively impact the economic vitality of the Downtown Historic District. Additionally, Board Member Monsef was not supportive of the project due to concerns with impacts to the financial stability, vitality, and visitor attraction to the Downtown. The Historic Landmarks Board Meeting minutes with the HLB discussion is included in **Exhibit D**.

ITEM NO. 3 PAGE 2

On April 23, 2008 the Planning Commission reviewed a request for a CUP for offices on the second floor of the building (**Exhibit E**). Several commissioners expressed concerns about the potential impact of an office use on the vitality of the downtown district and the loss of public access to views from the former Houlihan's restaurant space. The property owner requested and received a continuance to revise his proposal.

The owner subsequently amended the application to request a Design Review Permit for a remodel and addition to second story to accompany the change of the proposed use to hotel.

Following the April 23, 2008 Planning Commission meeting, the Historic Landmarks Board (HLB) held a study session on May 19, 2008 to review the applicant's revised design review and use proposal to locate a nine room hotel on the second level. The HLB's comments suggested that the design was too modernist and slightly out of place, the glass is not compatible with the downtown, the brick and glass should integrate together, the glass entrance should be refined, and historical architectural elements should be incorporated on the front façade. The HLB noted that seeing an elevation with the existing landscaping would help visualize the proposed design, that there needs to be additional detail on front and side elevations, and that it would be helpful to see a rendering with the proposed atrium closed and open. The HLB Meeting Minutes are provided as **Exhibit F**.

At a joint meeting on November 5, 2008, the Planning Commission and the HLB reviewed a Design Review Permit and CUP application to allow for a nine room hotel and building façade improvements. Issues raised at the meeting were as follows:

- The proposed architectural design and building renovations as related to the historical integrity of the building;
- Whether a hotel is an appropriate use of the building;
- Parking; and
- Hours of construction

The joint meeting was continued to a date uncertain in order for the applicant to address the aforementioned concerns.

After reviewing many alternative uses ranging from a hotel, second story retail, and food service, it has become clear to the applicant that an office use is the only viable use that will pencil out based on the amount of improvements to the building that are necessary to bring the building into compliance with handicapped accessibility (ADA), as well as address the effects of a dated building located on the water (i.e., dry rot and weathered materials). Because the office use is proposed for a location that was previously occupied by a restaurant and is located in the CC Zoning District, the use conversion from an eating and drinking establishment to a business or professional office requires approval of a CUP, as specified in Zoning Ordinance Section 10.44.250.

GENERAL PLAN CONSISTENCY

To approve the proposed project the Planning Commission must determine that the project is consistent with all applicable General Plan policies. The site is located in an area designated as Central Commercial by the General Plan land use designation. Staff believes the project is consistent with the General Plan has identified the following objectives, policies, and programs that support the proposed project:

ITEM NO. 3 PAGE 3

Policy LU-2.2. Downtown Economic Diversity: Work with affected Downtown business interests to enhance the economic diversity of the area.

The proposed office use will diversify the mix of downtown businesses and enhance the local economy by supporting a local small business. The office is an appropriate use for the upper story location, which has not proven to economically support restaurants and is not designed to accommodate residential uses.

Objective CD-7.0. Respect and maintain the exterior integrity of historic structures and sites.

The use conversion and the revenue generated by the conversion will allow the applicant to maintain and/or enhance the exterior integrity of the existing historic building and site through the necessary upgrades associated with the building code requirements as well as façade improvements consistent with the Secretary of the Interior Standards for Rehabilitation as discussed in the following *Zoning Ordinance Consistency* section of the Staff Report.

ZONING ORDINANCE CONSISTENCY

The Planning Commission must review the proposed project for its conformance with all applicable regulations of the Zoning Ordinance. Staff has outlined the following Zoning Ordinance requirements that apply to the project in the following discussion.

Conformance with Central Commercial Zoning District

The project is located in the Central Commercial (CC) Zoning District, which is intended for a wide variety of retail and service businesses to serve Sausalito residents and visitors. Office conversions such as the proposed project are permitted with approval of a CUP (Zoning Ordinance Section 10.44.250). The following table summarizes the project's compliance with the applicable development requirements of CC districts:

PROJECT SUMMARY TABLE

	Existing	Required	Proposed	Compliance
Parcel Area:	6,424 sq. ft.	5,000 square feet	No change	Yes
Land Use:	Mixed Use (retail, café, vacant restaurant)	Office conversion permitted with a CUP*	Mixed Use (retail, café, office)	Yes with PC approval of CUP *
Floor Area:	First Floor: 3,572 sq. ft Second Floor: 4,752 sq. ft Total: 8,324 sq. ft (129.3%)	1.3 Maximum FAR	No change	Yes
Building Coverage:	5,992 sq. ft.	100% Maximum Building Coverage	No Change	Yes
Off-street Parking:	0 spaces	Required Parking for Restaurant Use: 30 spaces Required Parking for Proposed Office Use: 16 spaces	0 spaces	Legal Nonconforming**

*As specified in Table 10-24-1 (Permitted Uses) of Chapter 10.24 (Commercial Uses)

**Per Section 10.40.110, no additional parking spaces are required for the conversion as noted in the section below.

Off-Street Parking

The Zoning Ordinance allows for provisions for uses that historically have not provided parking. Because the proposed office conversion involves a use and structure that legally pre-existed the adoption of the Zoning Ordinance and the new use will not intensify the off-street parking, and additional or new off-street parking areas are not required. Zoning Ordinance Section 10.40.110.A.5 states:

"No part of this Section shall be construed as requiring additional off-street parking for authorized structures and uses legally existing at the time of the effective date of this title. Where any or all required off-street parking is not provided for such a use, that use may be replaced by a use requiring the same or less off-street parking."

The previous use in the upper floor of 660 Bridgeway consisted of a restaurant with approximately 1800 square feet available for the dining area, which would necessitate 30 off-street parking spaces under current zoning regulations requiring 1 space for every 60 square feet of dining area for movable chairs and tables (Zoning Ordinance Section 10.40.110.B). The proposed upper floor office consists of 4,752 square feet, which would require 16 off-street parking spaces to meet the 1 space for every 300 square foot off-street parking ratio required for offices. Based on this analysis, and as shown in the table above, the new office use is not intensifying the parking demand for the property, as the parking required for the new use is less than the existing use. The office use thus would not trigger the need to provide additional or new off-street parking.

Office Conversion Findings

Office conversions in the CC Zoning District require additional findings to those required for CUPs, as stipulated by Zoning Ordinance Section 10.44.250. The findings the Planning Commission must make in order to approve the office conversion are listed in the attached draft resolution (**Exhibit A**), as well as the following summary describing how the conditions can be met. Staff suggests in the findings of the draft resolution that the findings for office conversions can be made for a variety of reasons including the following:

- The upper story office will provide a balance to the mixture of uses in the downtown;
- The upper story office will not result in an over-concentration of offices within the CC District as there are very few offices currently in the downtown;
- The upper story office will bring employees to patronize the downtown businesses;
- The upper story office will replace a previous restaurant use with an office use with less intense parking requirements.

Conditional Use Permit Findings

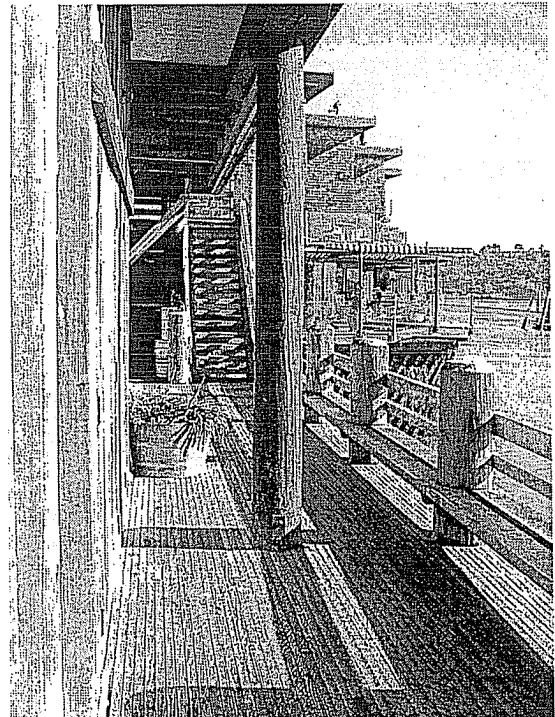
In order to approve the CUP, the Planning Commission must determine whether the proposed project is in conformance with the CUP findings listed in Section 10.60.050. Staff suggests the findings for recommending approval of the CUP can be favorably made, as listed in greater detail in the attached resolution of approval (**Exhibit A**), and summarized below:

- **General Plan and Zoning Ordinance Consistency:** The proposed use is consistent with General Plan policies, as described below, and all applicable Zoning Ordinance. The proposed office use will enhance the local economy by attracting small local businesses to a site that has been vacant for several years, which is consistent with the stated purpose of CC District to “provide space for diverse types of commercial activity to serve people and industry, while maintaining and strengthening the economic base of the City of Sausalito (Section 10.24.010.A).”
- **Impacts to the Downtown:** The purpose of the CC District is to allow for continuous ground floor retail frontage and prohibit establishments that break up such continuity, and provide for upper-floor residential uses (Section 10.24.020). In the case of the proposed use, the offices will be located in an upper floor location, where generally residential uses are permitted and a few other offices have been permitted. This particular location has historically been used for retail and restaurant uses and is not designed to accommodate residences. Since the permitted retail and restaurant uses have not proven to be economically viable for the upper floor tenant space, and the applicant is proposing a use similar in intensity to the residential uses permitted for the upper floor of commercial buildings in the Downtown, it does not appear the proposed office use will materially adversely affect the Downtown Historic District and its permitted uses.

To ensure no aesthetic impact to the historic downtown or the integrity of the historic elements associated with the building, a condition of approval has been provided that will require approval of all exterior modifications to the building associated with the office use, prior to issuance of any building permits associated with the office use conversion. If evidence is provided by a professional architectural historian that the subject building is not historic or has limited historic integrity, then the HLB and the Planning Commission will review the merits of the proposed design consistent with the Zoning Ordinance.

The applicant has indicated that they are aware that subsequent design review will be required for modification associated with the proposed use conversion. However, prior to investing funds associated with the architectural details related to the use conversion, the applicant is requesting Planning Commission consideration on the use first, then return back to the Planning Commission and HLB for design consideration. If the CUP is approved, the applicant will embark on securing the necessary studies (i.e., historical inventory and evaluation of the building), and provide a design that is compatible with the historic downtown.

With regards to concerns that the office use conversion will impede the public from enjoying the waterfront, staff notes that the lower level consists of uses, such as a Café’s with outdoor seating, as well as a viewing area towards the bay. Although, the general public may not be able to enjoy the upper level view, the public is



Lower Level Public Viewing Deck

still able to enjoy similar views from the lower level as shown in the photograph on the right.

- **Impacts to Public Health, Safety, and Welfare:** The proposed use does not appear to adversely impact the public health, safety, and welfare of the City. The offices will replace a previous restaurant use that allowed for a greater occupancy of the building, and thus will reduce impacts to the site and structure in terms of parking and number of visitors. Furthermore, prior to occupancy of the office use, the building will be upgraded to comply with current buildings code, including ADA accessibility.

PUBLIC NOTICE AND FEEDBACK

Neighborhood Outreach: Ten signatures supportive of the proposed office use were submitted with the application, and are included in **Exhibit G**.

Notice: 10 days prior to the hearing date, notice of this proposal was posted and was mailed to all residents and property owners within 300 feet of the subject parcel.

Written feedback: There has been no written feedback or public comment received for this application.

RECOMMENDATION

Staff recommends the Planning Commission adopt the attached resolution which approves Conditional Use Permit CUP 08-002 for the conversion of the second floor tenant space into four office suites based on the findings and subject to the conditions listed therein.

Alternatively, the Planning Commission may:

1. Approve the CUP with modifications;
2. Continue the public hearing for additional information and/or project revisions; or
3. Deny the CUP and direct Staff to return with a Resolution of Denial.

EXHIBITS

- A. Resolution Approving Conditional Use Permit CUP 08-002
- B. Photo of Sausalito Land & Ferry Company structure, built in 1902, and the old Purity Market, circa 1950
- C. Letter from Chris Henry dated February 12, 2008
- D. Historic Landmarks Board Meeting Register dated April 7, 2008
- E. Planning Commission Meeting Minutes dated April 23, 2008
- F. Historic Landmarks Board Meeting Register dated May 19, 2008
- G. Neighborhood Outreach for 660 Bridgeway dated February 13, 2008
- H. Letter from Chris Henry dated October 11, 2008
- I. Vicinity Map
- J. Site Photos

BLANK

**SAUSALITO PLANNING COMMISSION
RESOLUTION NO. ~~X-X~~**

**A RESOLUTION APPROVING A CONDITIONAL USE PERMIT TO ALLOW AN OFFICE
CONVERSION OF THE SECOND LEVEL OF THE STRUCTURE AT 660 BRIDGEWAY
(CUP 08-002)**

WHEREAS, an application has been filed by applicant, Chris Henry, requesting Planning Commission approval of a Conditional Use Permit to convert the vacant second level tenant space (previously used by a restaurant) into a four-suite office at 660 Bridgeway (APN 065-133-25); and

WHEREAS, the Planning Commission conducted a duly-noticed public hearings on April 23, 2008, November 5, 2008, and January 28, 2009 at which time all interested persons were given an opportunity to be heard; and

WHEREAS, the Planning Commission finds that the proposed project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15303 (c); and

WHEREAS, the Planning Commission has reviewed and considered the project plans titled "660 Bridgeway" and date-stamped received on January 15, 2009; and

WHEREAS, the Planning Commission has received and considered oral and written testimony on the subject application; and

WHEREAS, the Planning Commission has reviewed and considered the information contained in the staff report for the proposed project; and

WHEREAS, the Planning Commission finds that, as conditioned herein, the proposed project complies with the requirements of the Zoning Ordinance as described in the staff report; and

WHEREAS, the Planning Commission finds that, as conditioned herein, the proposed project complies with the General Plan as described in the staff report.

NOW, THEREFORE, THE PLANNING COMMISSION HEREBY RESOLVES AS FOLLOWS:

Conditional Use Permit CUP 08-002 to convert a vacant second-level tenant space into a four-suite office at 660 Bridgeway is approved based upon the findings provided in Attachment 1 and and subject to the conditions of approval provided in Attachment 2. The project plans are provided in Attachment 3.

RESOLUTION PASSED AND ADOPTED, at the regular meeting of the Planning Commission on the 28TH day of January 2009, by the following vote:

AYES: Commissioner:
NOES: Commissioner:
ABSENT: Commissioner:
ABSTAIN: Commissioner:

JEREMY GRAVES, AICP
SECRETARY TO THE PLANNING COMMISSION

ATTACHMENTS

- 1- Findings
- 2- Conditions of Approval
- 3- Project Plans

I:\CDD\PROJECTS - ADDRESS\A-B\Bridgeway 660\CUP-DR 08-002\660 Bridgeway pc reso cup 01-28-09 revised

5A
28

PLANNING COMMISSION RESOLUTION
January 28, 2009
CUP 08-002
660 BRIDGEWAY

ATTACHMENT 1:
FINDINGS

1. CONDITIONAL USE PERMIT FINDINGS

In accordance with Zoning Ordinance Section 10.60 (Conditional Use Permits), the Conditional Use Permit is approved based on the following findings:

- A) The proposed use is allowed with issuance of a Conditional Use Permit, pursuant to Chapters 10.20 through 10.28 (Zoning District Regulations), or Section 10.46.040 (Conditional Uses), Chapter 10.44 (Specific Use Requirements) or any other applicable section of this Title 10.

Office conversions of previously eating and drinking establishments in the Central Commercial (CC) Zoning District are permitted with approval of a Conditional Use Permit by the Planning Commission (Zoning Ordinance Section 10.44.250).

- B) The proposed use is consistent with the General Plan, the purposes of the Zoning Ordinance, and the purposes of the applicable zoning district.

The proposed office is consistent with General Plan policies to enhance the economic diversity of the downtown and to respect and maintain the exterior integrity of historic structures and sites (Sausalito General Plan Policy LU-2.2 and Objective CD-7.0). The proposed office use will enhance the local economy by attracting small local businesses to a site that has been vacant for several years, which is consistent with the stated purpose of Commercial Districts in the Zoning Ordinance to provide space for diverse types of commercial activity to serve people and industry, while maintaining and strengthening the economic base of the City of Sausalito (Section 10.24.010.A).

- C) The proposed use, together with the applicable conditions, will not be detrimental to the public health, safety, or general welfare of the City

The proposed use will operate in the second floor of a two-story building, a location suitable for this type of low-impact use that does not appear to adversely impact the public health, safety, and welfare of the City. The offices will replace a previous restaurant use that allowed a greater occupancy of the building, and thus will reduce impacts to the site and structure in terms of parking and number of visitors.

- D) The proposed use complies with all of the applicable provisions of the Zoning Ordinance.

With approval of the Conditional Use Permit, the use will comply with all applicable provisions of the Zoning Ordinance for office conversions (Section 10.44.250). The new use will not exacerbate or intensify the existing legal nonconforming off-street parking of the structure, but rather will locate a use requiring less parking in the upper floor.

- E) The proposed use or facility is properly located relative to the community as a whole and to land uses and transportation and service facilities in the vicinity.

5A
29

The office is an appropriate use for second level tenant space in the Downtown that has been vacant for several years and has not recently proven to economically support restaurants. Historically, the 660 Bridgeway site has supported offices, as it was the original location of the Sausalito Land & Ferry Company real estate offices in 1906. The second level is also not currently designed to accommodate residential uses, which is the use that is typically permitted in upper levels of commercial buildings in the Downtown.

- F) The size and shape of the subject property is adequate to provide features needed to ensure reasonable compatibility with land uses normally permitted in the surrounding area. Features may include but not be limited to yards, open spaces, walls and fences, parking, loading, landscaping, and such features as may be required by this Title or the Commission.

The addition of the proposed use will not alter the open spaces, walls, parking, or landscaping of the site, which is currently adequately designed to provide features necessary to ensure compatibility with normally permitted land uses in the surrounding area. The size of the tenant space is also compatible with what is necessary to support an office use, and is in a location that will not impact continuous retail frontage along the ground floor.

- G) Public utilities and facilities are or will be adequate to serve the proposed use, including streets and highways paved (and of adequate width) for the quantity and type of traffic it will generate.

All public utilities and facilities are adequate for the proposed use. It is not anticipated that the use will generate additional traffic impacts to Bridgeway, as the use is replacing a previous restaurant use that allowed for a higher occupancy and required a higher off-street parking ratio.

- H) The proposed use will not materially adversely affect nearby properties or their permitted uses.

The purpose of the CC District is to allow for continuous ground floor retail frontage and prohibit establishments that break up such continuity, and provide for upper-floor residential uses (Zoning Ordinance Section 10.24.020). In the case of the proposed use, the offices will be located in an upper floor location, where generally residential uses are permitted. However, this particular location has historically been used for retail and restaurant uses since the 1940's and is not designed to accommodate residences. Because the permitted retail and restaurant uses have not proven to be economically viable for the upper floor tenant space, and the applicant is proposing a use similar in intensity to the residential uses permitted for the upper floor of commercial buildings in the Downtown, it does not appear the proposed office use will materially adversely affect the Downtown Historic District and its permitted uses.

2. OFFICE CONVERSIONS FINDINGS

In accordance with Zoning Ordinance Section 10.44.250 (Office Conversions), the Conditional Use Permit is approved based on the following findings:

- A) The proposed use will promote diversity and variety to assure a balanced mix of commercial uses available to serve both resident and visitor populations.

An office use in the second level of a commercial building will provide balance to the mixture of commercial uses in the Downtown, which are predominantly retail, restaurants, art galleries, hotels, and other visitor-serving uses. Office workers will patronize existing commercial uses, and will encourage a working population in the downtown in addition to visitors.

- B) The proposed use will not result in an over-concentration of a specific use within the district.

There are very few offices located in the CC District, and almost all are located in the upper levels. Based on review of current occupational permits issued and a Downtown site visit, staff estimates approximately three buildings in the Downtown currently house upper level offices, including 1-15 Princess, 665 Bridgeway, and 666 Bridgeway. As there are currently so few offices, staff does not anticipate the proposed use conversion will result in an over-concentration of offices within the CC District. Although the CC District is intended for upper level residences and ground floor retail, the subject building is not designed to accommodate residential uses, as it was originally designed as a supermarket. A second level office is a lower intensity use that is similar in nature to the residential uses permitted in the CC District.

- C) The proposed use would be mutually beneficial to, and would enhance the economic health of, surrounding uses in the district.

The existing tenant space in the upper story has been vacant for several years, with several attempts to reopen a restaurant that have failed. A new business or professional office will diversify Sausalito's economy and encourage the retention of local business. Small businesses of this type were ranked as the most acceptable and most important businesses for the City in a survey conducted by Gene Bregman & Associates (Executive Summary Report from a Survey of Adult Residents in Sausalito, October 2006). The addition of an office in the Downtown would bring new employees to patronize downtown businesses, thus enhancing the economic health of the district.

- D) The proposed use will enhance and maintain the efficient use of available public and/or private parking in the applicable district.

Although the proposed office use does not include additional parking, the new use provides for a less intense parking demand than the previous restaurant use. The eating and drinking establishment that was previously located in the tenant space would require a minimum of thirty (30) off-street parking spaces, while the new office use would require fourteen (14), which is clearly a less intense use in terms of parking requirements.

I:\CDD\PROJECTS - ADDRESS\A-B\Bridgeway 660\CUP-DR 08-002\660 Bridgeway pc reso cup 01-28-09 revised

PLANNING COMMISSION RESOLUTION
January 28, 2009
CUP 08-002
660 BRIDGEWAY

ATTACHMENT 3: CONDITIONS OF APPROVAL

These conditions apply to the project plans prepared by the Pacific Design Group and entitled "660 Bridgeway" and date-stamped received on January 15, 2009.

General

1. Prior to issuance of a building permit to allow for Tenant Improvements related to the office use, the property owner shall submit a Design Review Permit application for all exterior improvements associated with the use conversion.
2. No alternative or unrelated construction, site improvements, tree removal and/or alteration, exterior alterations and/or interior alterations and/or renovations not specified in the project plans, or alterations approved by the Community Development Director, shall be performed on the project site. In such cases, this approval shall be rendered null and void unless approved by the Community Development Department as a modification to this approval.
3. An approval granted by the Planning Commission does not constitute a building permit or authorization to begin any construction. An appropriate permit issued through the Building or Planning Division must be obtained prior to constructing, enlarging, moving, converting, or demolishing any building or structure within the City.
4. Prior to tenant occupancy, the applicant shall take action to reduce visibility of office equipment and materials from off-site locations such as tinted windows, lease restrictions on tenant storage in front of windows, or other measures subject to written approval of the Community Development Director.
5. Use of the second level is limited to office uses. Residential uses are not permitted.

Advisory Notes:

Advisory notes are provided to inform the applicant of (a) Sausalito Municipal Code requirements, or (b) requirements imposed by other agencies. The advisory notes are not a part of the Conditions of Approval.

1. This approval will expire in one (1) year from the date of adoption of this resolution if the property owner has not exercised the entitlements hereby granted.
2. The Developer shall pay all applicable City fees as established by City Council resolution and City ordinances.

3. The applicant is responsible for obtaining any other permits required by other agencies having jurisdiction within construction area.
4. This approval does not authorize the installation of any signage or exterior lighting.

I:\CDD\PROJECTS - ADDRESS\A-B\Bridgeway 660\CUP-DR 08-002\660 Bridgeway pc reso cup 01-28-09 revised

PLANNING COMMISSION RESOLUTION
January 28, 2009
CUP 08-002
660 BRIDGEWAY

ATTACHMENT 3: PROJECT PLANS

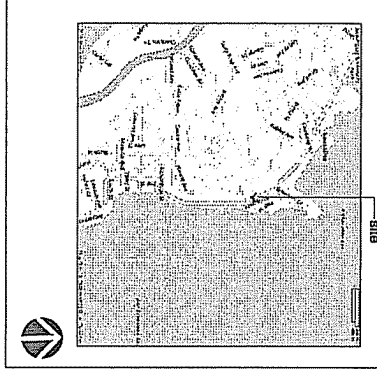
- Index**
1. COVER DRAWING
 2. UPPER FLOOR PLAN

data

660 BRIDGEWAY
 SAUSALITO, CALIFORNIA
 AP# 065-133-25
 LOT SIZE: 6,624 sq. ft.
 Project Area: 5,629 sq. ft.

PROJECT DESCRIPTION:
 This project consists of constructing four separate office suites, with individual landscaping, accessible bathroom, on the second floor level of an existing two-story building.

vicinity



660 BRIDGEWAY

BUILDING

SAUSALITO · CALIFORNIA

COVER

81

660 BRIDGEWAY
 AP# 065-133-25
 660 BRIDGEWAY
 SAUSALITO, CALIFORNIA

PACIFIC DESIGN GROUP
 Architecture

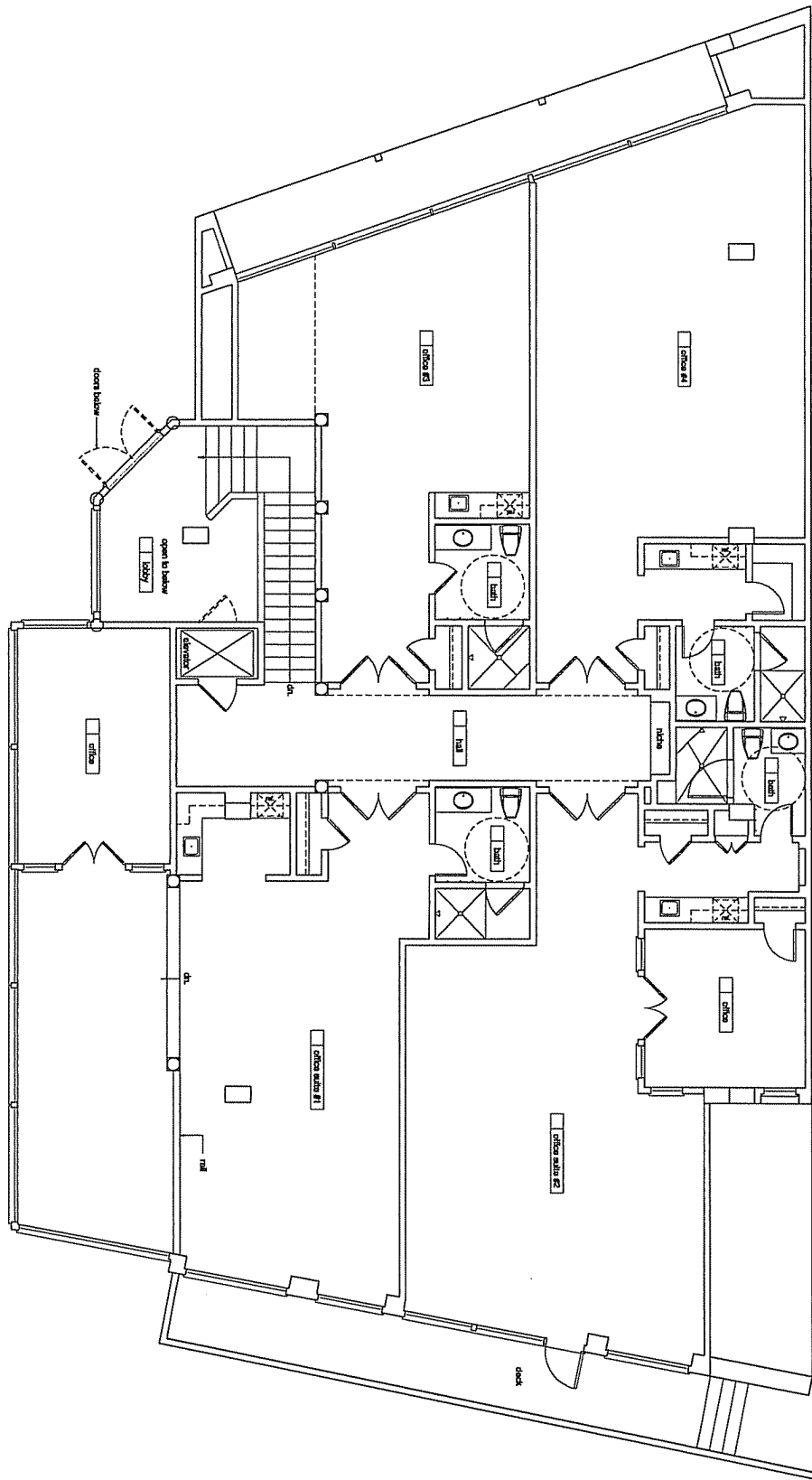
200 MICHELLE AVENUE
 SUITE 200
 LAUREL, CALIFORNIA 94040
 (415) 435-8877

ITEM NO.

3 PAGE 17

THE ARCHITECT DOES NOT WARRANT THAT THESE PLANS OR THE SPECIFICATIONS OR CONDITIONS THEREOF ARE COMPLETELY CORRECT OR NECESSARILY FEASIBLE. THE ARCHITECT SHALL BE RESPONSIBLE FOR THE PLANS AND SPECIFICATIONS IN THIS AS BUILT IN ACCORDANCE WITH ANY OTHER B.T.C.

5A
35



660
north
5,051 S.F.
existing upper level
floor plan
1/4" = 1'-0"

ITEM NO. 3 PAGE 18

660

660 BRIDGEMAN
AP# 086-133-25
660 BRIDGEMAN
SAUSALITO, CALIFORNIA

PACIFIC DESIGN GROUP
Architecture
300 MARICHELL AVENUE
SUITE 200
LARKSPUR, CALIFORNIA 94937
(415) 455-1111

660

THE ARCHITECT DOES NOT
WARRANT THAT THESE PLANS
OR THE SPECIFICATIONS OR
CONSTRUCTION THEREOF WILL
BE SUITABLE FOR ANY OTHER
USE THAN THAT ONE FOR
WHICH THEY WERE SPECIFICALLY
PREPARED. THE ARCHITECT
DOES NOT BE RESPONSIBLE FOR
THESE PLANS AND SPECIFICATIONS
IF THEY ARE USED IN WHOLE
OR IN PART AT ANY OTHER SITE.

5A
36

660 Bridgeway Sausalito Land & Ferry Company, 1910



Purity Market, 1969

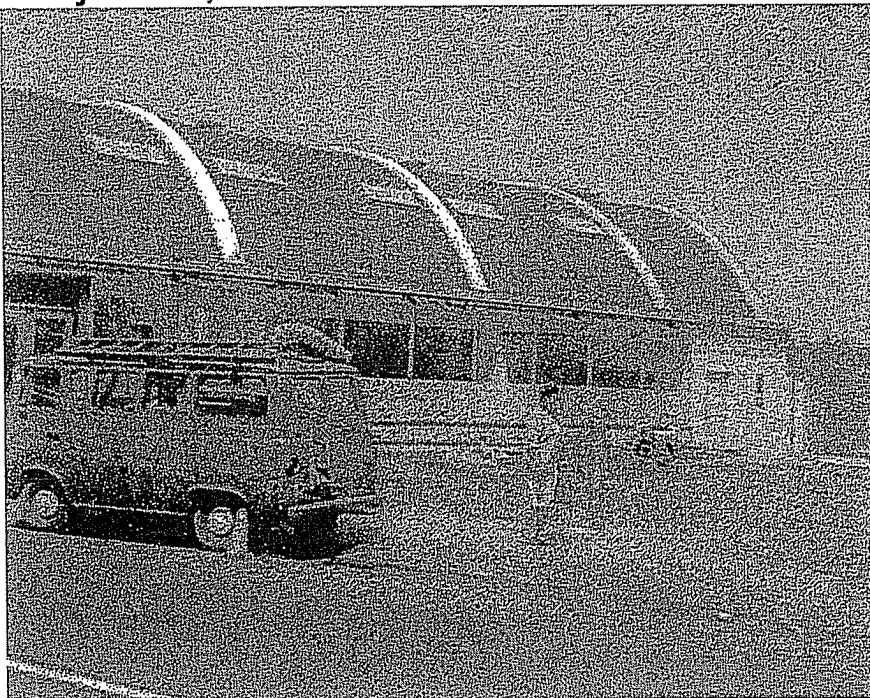


Exhibit B
(1 page) SA
37
ITEM NO. 3 PAGE 19

BLANK

CHRIS HENRY

PO BOX 411
TIBURON CA 94920
Phone 415-260-1293
Chenry39@comcast.net

.....

February 12, 2008


City Of Sausalito Community Planning Department
420 Litho Street
Sausalito CA 94966

Re: 660 Bridgeway Proposed Office use for Upstairs Portion

Dear City of Sausalito,

I am requesting to have offices in the upstairs portion of my building located at 660 Bridgeway. It will be a general business professional type use. There is general office use all around the building now. The previous owner Galen Wagner tried to lease the space for a restaurant for two years with no luck. I have owned the building almost one year and have had a few inquires for restaurant use but no serious takers. It seems a second story restaurant does not make good economic sense. I plan installing an elevator/lift and sprinklers upstairs along with ADA compliant bathrooms. Thank You.

Very Truly Yours,


Chris Henry

RECEIVED

FEB 14 2008

CITY OF SAUSALITO
COMMUNITY DEVELOPMENT DEPT.

Exhibit C
(1 page)

ITEM NO. 3 PAGE 21

5A
39

BLANK

City of Sausalito
Historic Landmarks Board
Meeting Register for April 7, 2008

DATE: Monday April 7, 2008
MEETING TIME: 5:30 P.M.
LOCATION: Sausalito City Council Conference Room, 420 Litho Street, Sausalito, CA

CALL TO ORDER / ROLL CALL 5:40pm

Boardmembers Vicki Nichols, Chair X Jason Weisberger, Co-Chair _____
Thomas Theodores X Mike Monsef X

AGENDA APPROVAL Agenda Approved 3-0

COMMUNICATIONS/PUBLIC COMMENTS ON ITEMS NOT ON THIS AGENDA

CONSENT CALENDAR

No Consent Calendar Items

HISTORIC VALUE AND 50-YEAR REVIEW ITEMS

Where an application has been submitted to the Community Development Department to alter the exterior of any building that is 50 years or older, the proposed project information is forwarded to the Historic Landmarks Board for historic value review.

1. **660 Bridgeway (CUP 08-002)** – Review Conditional Use Permit application for a new office in the upper story level of a structure located in the Downtown Historic District at 660 Bridgeway.

Discussion: Staff and the applicant presented the proposed use conversion to convert an upper story tenant space at 660 Bridgeway into four new offices. The proposed physical improvements include new partition walls in the interior of the upper floor, a new ADA elevator/lift, new ADA accessible bathrooms, and repair of dry rot. The applicant clarified no exterior changes are proposed with the use change, as he intends to return at a later time with a Design Review application for exterior changes.

Board Member Theodores expressed concerns with the visibility of the office use from Bridgeway and Princess Street, specifically that the new office use would result in files and other items being stored in front of the windows that would detract from the historical character of the building. Board Member Nichols noted that the office space planned by the applicant, which was indicated to be for one or two tenants per office space, would be less intense than the previous restaurant use, as less people would visit the site with the new office use. Board Member Monsef expressed concerns with impacts to the economic vitality of the Downtown from the office use, and felt a restaurant or other retail tenant would be more appropriate. Mr. Monsef's statement included: "By changing the use we are degrading the quality of life in downtown for our community and depriving everybody from beautiful amenity of that location by giving it to privilege few."

Determination: The Board recommended approval of the project with the condition that the applicant include mitigations to prevent unsightly views into the building through mitigations such as tinted windows, lease restrictions on storage in front of the windows, or other mitigation measure approved by the Historic Landmarks Board.

Ayes: Theodores, Nichols
Noes: Monsef
Absent: Weisberger

Exhibit D
(1 page)

BLANK

1 No response.

2
3 **APPROVAL OF MINUTES**

4
5 **Chair Kellman moved, seconded by Vice Chair Keller, to approve the**
6 **minutes of January 9, 2008 minutes**

7
8 **The motion was approved unanimously without a roll call vote.**

9
10 **NEW PUBLIC HEARINGS**

- 11
12 **1. 660 BRIDGEWAY (CUP 08-002/APN 065-133-25)**
13 **Chris Henry (Owner/Applicant)**

14
15
16 **The applicant and property owner, Chris Henry, requests Planning**
17 **Commission approval of a Conditional Use Permit to convert a vacant**
18 **second story tenant space located at 660 Bridgeway into offices. The second**
19 **story tenant space has been vacant for several years and was previously a**
20 **restaurant use. No exterior changes are proposed to the structure, and the**
21 **interior changes proposed consist of new wall partitions in the upper story,**
22 **new ADA accessible bathrooms, new ADA elevator/lift, installation of fire**
23 **sprinklers, and repair of dry rot.**

24
25 **Staff Report by Assistant City Planner Sierra Russell**

26
27 Ms. Russell reported that this is an application requesting Planning Commission
28 approval of a Conditional Use Permit to convert a vacant second story tenant
29 space located at 660 Bridgeway into offices. The second story tenant space has
30 been vacant for several years and was previously a restaurant use. No exterior
31 changes are proposed to the structure, and the interior changes proposed consist
32 of new wall partitions in the upper story, new ADA accessible bathrooms, new
33 ADA elevator/lift, installation of fire sprinklers, and repair of dry rot.

34
35 This property is located in the Central Commercial zoning district in the Downtown
36 Historic District at the corner of Bridgeway and Princess (pointing to map). The
37 building is adjacent to Yee Tok Chee Park. The bottom floor currently houses retail
38 stores. The upper story was previously Houlihan's and has been vacant since that
39 restaurant closed approximately three years ago. The property is also adjacent to
40 Richardson Bay. There are no proposed exterior changes but the proposal for the
41 use permit would include new wall partitions to create four new office spaces and
42 each one would include an ADA-accessible bathroom and an ADA lift to bring the
43 property into compliance with ADA regulations.

44
45 Ms. Russell displayed the existing elevations of the structure. In terms of historical
46 background, this site was previously the site of the Sausalito Land & Ferry

1 Company. This photo was taken in 1910 and it houses the real estate offices for
2 the Sausalito Land & Ferry Company. Later the upper story housed Sausalito's
3 first public library. In the 1940s this structure was demolished and the Purity
4 Market was built in 1941; this is a photo from 1969. In the 1980s it was remodeled
5 to include that exterior second story portion which doesn't really integrate well with
6 the architecture. The building previously was used for two restaurants; it was used
7 for Houlihan's for approximately 18 years and was then vacated; it's been vacant
8 for approximately three years.

9
10 Commissioner Petersen said it was Water Street Grill for a few years, also,
11 correct?

12
13 Ms. Russell said that's correct. This application did go to the Historic Landmarks
14 Board and the Board reviewed the conversion proposal on February 25 and April
15 7, 2008. Ultimately the Board forwarded a recommendation of approval to the
16 Commission with a 2 to 1 voice. Two Boardmembers were in favor of the use
17 conversion but had concerns relating to storage of office materials and other office
18 related supplies in front of the window and how that might impact the view along
19 Bridgeway. Their feeling was that they could recommend approval with a condition
20 of approval that the applicant would employ actions to reduce visibility of office
21 equipment and materials from off site locations. The Board also expressed
22 concern related to the economic impacts on the Downtown Historic District and its
23 economic vitality. Specifically one Boardmember was not supportive of the project
24 due to concerns about impacts to financial stability, vitality, and visitor attraction to
25 downtown. A 2-1 vote on the board is a majority vote.

26
27 In terms of compliance with the zoning ordinance, the use conversion does not
28 trigger additional off street parking as the new office requires less parking than
29 was previously required for the restaurant.

30
31 Chair Kellman asked how staff can make that determination prior to knowing who
32 the tenants are going to be? For example, if it's a doctor's office, can the
33 Commission make that same determination?

34
35 Ms. Russell said yes, because for any office, it's one space per 300 square feet.
36 Restaurants are the highest intensity parking requirement, so it would be hard to
37 find a use that required additional parking other than a restaurant.

38
39 Commissioner Petersen noted that for Houlihan's and for many of the restaurants
40 that are there, they're generally serving people who are taking the boat over and
41 then most of the people who work there probably take Golden Gate Transit to get
42 there. So, in truth, there's a whole different world of parking reality versus the
43 code.

44
45 Ms. Russell said in order to approve the use conversion the Commission will need
46 to make the office conversion findings, which are listed in detail in the staff report

1 and in the attached resolution. As staff has summarized in the attached resolution,
2 staff is recommending that these findings can be made for a variety of reasons. In
3 particular, one of the findings requires that the change in use will not create an
4 overconcentration of offices within the Central Commercial District, and staff has
5 verified this by walking the downtown to see how many upper story offices there
6 are and also checking business licenses. From what she could see there are
7 approximately three buildings that house offices in the upper story. Based on the
8 concentration of retail and other uses, it didn't appear that this would create an
9 over concentration of offices within the Central Commercial District. The new use
10 is also providing for a less intense parking demand than the previous restaurant
11 use.

12
13 The Planning Commission will also need to make the findings required for the
14 conditional use permit; those findings are also listed in the attached resolution.
15 One of those findings is that the use is consistent with the purpose of the Central
16 Commercial District and the Downtown Historic District. Again, staff is
17 recommending that these findings could be made relating particularly to findings A
18 and D; A is that the purpose of the Central Commercial District is to provide for a
19 wide variety of retail and service businesses. The offices would be considered a
20 service business, of which there are currently few in the downtown, that could
21 potentially bring in employees who would patronize local businesses. The other
22 issue is the town encourages ground floor retail and upper floor residential uses.
23 This obviously isn't residential use, but this structure hasn't historically been used
24 for residential on the upper floor. It is designed for more storage/office-type uses
25 and was used for that with the Purity Market and later was used for retail and
26 restaurants which hasn't proven economically viable. So for those reasons the
27 offices would be of similar intensity to residential use.

28
29 For those reasons, staff can recommend those findings can be made. Staff is
30 recommending approval of the conditional use permit as included in the attached
31 resolution.

32 33 **Presentation by Applicant Architect**

34
35 **Richard Berling** is an architect with Pacific Design Group in Larkspur. He thanked
36 Ms. Russell for her excellent staff report. His firm approached the project three or
37 four months ago; the space had been vacant for over three years' and is in great
38 disrepair. The reason Houlihan's shut down was lack of economic viability and the
39 lack of handicap accessibility factors. The applicant's primary goal is to bring it up
40 to compliance. With that as a directive, they made the bathrooms accessible and
41 while they were doing the upgrades, the owner was grappling with what kind of
42 use would be appropriate for this space with a world class view of the City. In the
43 three years that it's been vacant, maintenance has been deferred and there's
44 rotting taking place. The primary goal of the project is to establish what use is
45 going to be there. They investigated what would make the most sense regarding
46 the concept of professional offices. It didn't make sense to do a lot of small offices.

1 Due to the circulation pattern, bisecting the building into a bay side and a street
2 side, each half approximately 1,200 to 1,500 square feet, seemed to make the
3 most sense. They went ahead with floor plans to accommodate that program and
4 that is what is before the Commission that evening.

5
6 **Remarks by Applicant/Property Owner Chris Henry**

7
8 Mr. Henry owns 660 Bridgeway. He is asking for the Commission's help with this
9 particular building. It has a long history in Sausalito as a restaurant and before that
10 it was used as offices. He's asking for the office use due to the fact that's he tried
11 to rent the space out during the year that he's owned it and he hasn't had any
12 takers for the restaurant space, but he's had a lot of interest for office. In fact, he
13 has a letter of intent from a long-time San Francisco maritime company who is
14 interested in renting half the space upstairs. The office use conforms to some of
15 the other buildings in the historical area of downtown. It will actually lower the
16 traffic impact compared to a restaurant use. There's been some talk about vitality,
17 how office use may lower the vitality of the downtown Sausalito area. He
18 disagrees with that assessment. Vitality will actually increase because office use
19 will bring in office workers who will patronize the local restaurants and shops
20 downtown.

21
22 Commissioner Petersen asked Mr. Henry if he's pursued restaurants as tenants?
23 There are groups where you can pitch this use as a restaurant. How eager was he
24 to actually get a restaurant? Has it been a real effort or was it just during the time
25 he was looking for tenants, no one happened to come by that was interested in
26 putting a restaurant there?

27
28 Mr. Henry said he contacted a lot of successful local restaurant people. He talked
29 to Larry Mindell and some other local restaurant people, not only in Marin but in
30 San Francisco. Their main opinion was that second story restaurants aren't
31 economically viable. That people today just don't want to go upstairs to eat. That's
32 what he's been hearing over and over from experienced restaurant people. He's
33 had quite a few other people look at it and that seems to be the obstacle; nobody
34 seems to want to go upstairs to eat. The restaurants that have been there have
35 failed; it has a long history of restaurant failure. Economically speaking he thinks
36 that offices are the best way to go, from a landlord's standpoint.

37
38 Chair Kellman asked did Mr. Henry have a certain vision for the property when he
39 purchased it a year ago?

40
41 Mr. Henry said originally he thought it would make a nice high-end restaurant. But
42 he's learned a lot in the past year from talking to experienced restaurateurs. He's
43 just been told over and over that a second story restaurant is not economically
44 feasible. He's a long term investor. He has a vision for the building. He'd like it to
45 influence the downtown area. He's interested in participating somehow in
46 upgrading the park and the handicap area adjacent to the building. It would be

1 nice to see it attract more people. It has a lot of possibility, given its location, and
2 the views are first class views. He has a long term vision and he plans on being
3 there quite a while; he's a long term investor.

4
5 Chair Kellman said the staff report mentions the maritime company from San
6 Francisco and then it said "several other local professionals." Is that something
7 that's written in stone or he's just had inquiries?

8
9 Mr. Henry said that's not written in stone yet. He has a letter of intent from a San
10 Francisco maritime company to lease approximately half the space.

11
12 Chair Kellman asked if there has been any additional interest?

13
14 Mr. Henry said yes; Larry Mindell is interested in renting one of the offices and Mr.
15 Henry is potentially interested in taking one of the offices for his company.

16
17 Chair Kellman asked staff what is the vacancy rate in town for office space, further
18 away from downtown? Has there been a discussion about anticipated rents and
19 how those compare to the rents that are being asked at some of the existing office
20 space?

21
22 Ms. Russell said that's a good question and the answer is no, staff did not look into
23 that. That type of economic data hasn't been collected for the downtown as of yet.

24
25 Mr. Berling said the rents in Sausalito for office space range from two to three
26 dollars a square foot and this probably would be at the higher end.

27
28 Vice Chair Keller noted it says in the staff report that Mr. Henry is intending to put
29 in a new ADA elevator lift?

30
31 Mr. Henry said that's located to the right as you come in the front door.

32
33 Vice Chair Keller asked if he's talking about what's called the common area? He
34 doesn't see anything for the elevator.

35
36 Chair Kellman asked if the architect can point out on the plans where it says
37 "elevator."

38
39 (Architect pointing to drawings.)

40
41 Chair Kellman asked if that area should be indicated as an elevator on the plans?

42
43 Mr. Berling said yes.

44
45 Chair Kellman said that change needs to be made.

1 Chair Kellman said she notices that there are no exterior changes proposed; why
2 is that? The applicant is going to be making structural changes, there is dry rot,
3 they are installing an elevator. Mr. Henry said he wanted to impact the community,
4 upgrade the look and feel; would he be open to making some exterior changes?
5

6 Mr. Henry said absolutely. In fact, he's worked with Don Olsen on that particular
7 aspect but they're not ready to make a presentation yet.
8

9 **Public Comment**

10
11 **Mike Monsef** lives on Fourth Street. He is in a very difficult position. He is
12 speaking on behalf of himself. He would like to correct the record. He is a member
13 of HLB; he thought there had to be 3 votes in favor to approve a project. The vote
14 was 2 to 1; he voted against the project. As long as he has been in Sausalito, he's
15 seen three restaurants in this building. There was one before Houlihan's and then
16 Houlihan's came in and then Water Street Grill took over. Now, to get to the body
17 of his concern. He believes the area next to the property used to be a parking lot
18 and the City decided to share that beauty for everybody in the community and they
19 converted that parking lot into a park, which is Yee Tok Chee Park right now. He
20 believes in property rights and he's having a hard time objecting to Mr. Henry's
21 proposal, but he believes that sociologically the project will negatively affect
22 downtown. Mr. Henry's project would reverse what was done to the parking lot,
23 i.e., convert it to a park. The Commissioners should be aware that the impact of a
24 decision in favor of Mr. Henry would not show the damage to downtown for a few
25 years. He is often told by members of the community, "I have no interest to be
26 downtown because the bakery's gone, the butcher's gone, and now I don't see
27 why I should be downtown." By eliminating a place like Old Water Street
28 restaurant, which was a hang out for a bunch of young upscale members of the
29 Sausalito community, the City is increasing that frustration for people. There's no
30 reason for these people to come downtown now. He remembers he used to go
31 downtown to listen to music. When Mr. Henry bought this property, he knew what
32 the problems were and with that understanding, he bought this property. Mr.
33 Monsef is a real estate agent himself, and at one point he approached Mr. Galen,
34 who was the owner, Mr. Galen was asking for \$9 million. Mr. Monsef had someone
35 from Texas come in at \$7.5 million; they were interested in the place. Mr. Henry
36 ended up buying this place for six-something million. With handicap access being
37 provided to that building a restaurant can be operated there. He has told Mr. Henry
38 that, "As much as I would like you to be here, I have to go against this." He's only
39 one person, but he knows the impacts on downtown; he spends a lot of time
40 downtown.
41

42 Chair Kellman said the Commission knows how active Mr. Monsef is in the
43 downtown area. The testimony before the Commission is that the space has been
44 vacant for three years. So her question to Mr. Monsef, as a member of the
45 downtown association and as someone involved in the downtown community, is
46 what kind of trade the City is making in putting in a use where the potential is to

1 actually have tenants and have people going in and out and taxes coming to the
2 City versus the fact that it's been vacant for three years. Three years of vacancy
3 really hasn't done anything to enhance the vitality of the community.
4

5 Mr. Monsef said he can answer that. Of the three years that it was vacant, a
6 couple of years were when Mr. Galen had it. Mr. Galen and the owner of the Water
7 Street Grill were in a feud. Mr. Galen didn't want to spend the money to put in the
8 handicap access, or elevator, over there. Then when Mr. Henry bought it. Mr.
9 Monsef said he has shared with Mr. Henry that there is an identical piece of
10 property on Shattuck in Berkeley that some distant family member of Mr. Monsef's
11 bought and converted to a mini-ferry terminal. It's a very successful piece of
12 property. A lot of people go over there and spend a lot of time over there. It doesn't
13 have to be a restaurant, it can be commercial upstairs. But by converting it to
14 offices, you eliminate the public privilege to take advantage of that beautiful view
15 and limit it to a few privileged people. He doesn't know whether Mr. Henry has
16 really spent the time to research another use. Putting a sign out "For Lease," is not
17 sufficient. People will not come to you. Mr. Monsef rents a space downtown.
18 Sometimes he has to give something in order to bring them in. He wonders what
19 offers have been given to these potential tenants in order to bring them downtown.
20 Sociologically it's very important that when you design or start planning something,
21 you create a center focus for the town. If you go to the old towns in Europe, the
22 church is the center focus and all the houses are built around it. For Sausalito, as
23 a downtown, if they keep eliminating these activities downtown you're going to kill
24 the downtown.
25

26 Chair Kellman noted that on page 4 of the staff report the CUP finding related to
27 impacts on downtown, says "The purpose of the Central Commercial District is to
28 allow for continuous ground floor retail frontage and prohibit establishments that
29 break up such continuity, and to provide for upper floor residential uses." Would
30 Mr. Monsef have this same opinion if Mr. Henry wanted to put four apartments
31 there?
32

33 Mr. Monsef said yes, he would.
34

35 Chair Kellman said by code it says the purpose of the Central Commercial District
36 is "to provide for upper floor residential uses." So he would be able to do that
37 under the code.
38

39 Mr. Monsef said at that point the historical value comes into play. He remembers
40 when he tried to convert the little pizza place to the walkway and they said, "it's
41 cute, don't touch it." Now, they are changing because--
42

43 Chair Kellman said what she's not getting is what is the historical value of the
44 structure. Is it the use? Is it the exterior? What is it in his mind?
45

1 Mr. Monsef said the use is a historical value, especially when you come to the
2 downtown, the use is a historical value. When the applicant came to HLB, two of
3 the Boardmembers voted for it; one said it was because it has less impact of the
4 traffic; the other one was in favor because there was no direction in the bylaws of
5 HLB to deny or to accept it. But from his point of view, it's a psychological impact,
6 a sociological impact to downtown. It's very important.

7
8 Chair Kellman said but to be clear if the applicant were proposing four small
9 condos, Mr. Monsef would have the same argument? Even though residential
10 uses on a second floor is specifically called out as allowed in the Central
11 Commercial District.?

12
13 Mr. Monsef said when the code says something, then you have to evaluate it-- you
14 have to go beyond the code to understand whether the historical value is important
15 or not. To answer her question, no, he doesn't have any objection. His objections
16 are personal. He's not talking on behalf of anybody, but he knows downtown, he
17 knows the impact of this business downtown and he knows how much it is going to
18 damage downtown. They want the traffic; the vitality. Another question: one of the
19 biggest taxpayers in the community are restaurants.

20
21 Vice Chair Keller said let's be realistic. The City has he doesn't know how many
22 restaurants in Sausalito; the restaurant business is a very difficult business; the
23 City had Ondine's, which was redone, but couldn't make it. The City has maybe
24 two or three restaurants downtown that are doing reasonably well. The City sees
25 restaurants closing all the time. It's a difficult business. If Mr. Monsef was in this
26 owner's position, is he telling the Commission he wouldn't want diversification in
27 this building from the standpoint of revenue as opposed to putting another
28 restaurant on the second floor of a place that's been vacant for three years?
29 There's going to be complaints from the tenant down below who already is running
30 a café restaurant. You're going to have two restaurants in one building. It seems
31 that if you have four offices up there, you're going to have permanent traffic,
32 people that are going to be using the downtown area every day because they're
33 working there. What would Mr. Monsef put up there? If he owned this building,
34 what would he put up on the second floor? If you can't find a restaurateur who's
35 willing to go into that space, what would you put in there?

36
37 Mr. Monsef said he is a restaurateur, he was a restaurateur, he had Gatsby's.

38
39 Vice Chair Keller asked how many times has that place turned over?

40
41 Mr. Monsef said he knows. But as long as he had it, he turned around overnight, in
42 one weekend, he changed that and he made it successful. He competed with Gate
43 5 and he won. But the people that came in, of course they ruined it. And another
44 thing, he remembers when the restaurant above Poggio--

1 Vice Chair Keller said the bottom line is if you're a property owner and you actively
2 go out-- which they applicant says he's done-- and even if he doesn't, if you don't
3 find a restaurant that's willing to go into that space, you have to look for other
4 alternative sources of revenue for that commercial space. It's very logical. He can
5 understand why a restaurateur wouldn't want to move in there. Look at Gaylord's,
6 look at that space.

7
8 Chair Kellman suggested not getting into a debate about whether a restaurant
9 should be there or not. She understands Mr. Monsef is opposed to the project and
10 that he feels it's going to negatively impact the vitality of the downtown.

11
12 Commissioner Petersen asked Mr. Monsef, aside from restaurants, are there other
13 types of uses that he could suggest just as a local businessman and property
14 owner? Mr. Monsef knows the pulse of downtown; what are other kinds of socially
15 interactive uses that may not be quite as volatile as a restaurant? The first thing he
16 thinks of is the Depot Café, which serves a similar function to Mill Valley as this
17 could for downtown Sausalito, which is part retail, part restaurant. Is there some
18 kind of combination that's a little bit more engaging of the public that allows people
19 to move through that beautiful space, which is right adjacent to a park and the
20 water, and right adjacent to the main downtown intersection?

21
22 Mr. Monsef said you can make it commercial; that's what he suggested to Mr.
23 Henry; he advised Mr. Henry to go see this place down on Shattuck. What they did
24 upstairs, they had a little smaller commercial area and the way they attracted-- the
25 same way they attracted people to go up to Village Fair, people went up there
26 when there was some attraction to go up there for. The City can do that, you know,
27 revitalize the upstairs. And that place on Shattuck is very successful and they
28 never have a vacancy. To answer Mr. Keller, yes, a restaurateur has to be a
29 special people, not everybody can be a restaurateur. Plus Francois had the
30 restaurant up on the second floor and it was a successful restaurant for a long
31 time. So in any event, whatever decision the Commission makes, obviously he'll
32 have to respect it, but on the other hand, he will warn that by changing this one to
33 residential or office space, it's like putting a dagger into the heart of downtown.

34
35 **Vicky Nichols** is the chair of the Historic Landmarks Board. She respects Mr.
36 Monsef's passion about his point. When HLB was shown the plans, one of the
37 reasons that she could make the findings that this was going to be of lesser impact
38 than it had been as a restaurant is as this plan was proposed these are going to
39 be four large offices. She did raise the question of what she saw happen in
40 Marinship during the dot com where 20 people were squeezed into those spaces,
41 and there's nothing to say that can't happen again, but HLB did try to point out that
42 these were smaller offices and the furniture wouldn't be piled up in the windows so
43 you see all these computers and that kind of thing. As long as they are small
44 spaces, that's what the HLB was considering as the use. She doesn't know if the
45 size can be part of the conditions of approval, but that's what the applicant
46 represented to the HLB.

5A
51

1
2 Mr. Monsef said a good example is the little café down in Mr. Henry's building, how
3 many people came in that couldn't make it until Mauro went in over there. His
4 character made that place and now it's successful.

5
6 **Aness Pogni** owns Jewelry by the Bay; she's a tenant of Mr. Henry's. She's been
7 in Sausalito for 25 years, she's had about six stores in town. She's experienced life
8 with a restaurant upstairs and she's experienced life without a restaurant up there
9 for the past three years. She's had pretty good business in the last three years
10 without the restaurant. She doesn't see a big loss of the vibrancy downtown
11 without a restaurant there. She is looking forward to having professional, local,
12 nontourist tenants working in the downtown area so it would attract more people to
13 her store that are more local, which she doesn't get so much. Her business is very
14 slow in the wintertime, very busy in the summer, and she likes the idea of
15 attracting local business people.

16
17 No further public comment.

18
19 **Public Comment Closed.**

20
21 **Commission Discussion**

22
23 Chair Kellman asked for Commission comments. Does anyone have a strong
24 opinion either way?

25
26 Commissioner Bossio said she has a strong opinion in favor of the project. If Chair
27 Kellman feels otherwise, she can start.

28
29 Chair Kellman said she actually does have a strong opinion otherwise. If the City
30 does allow offices in this area, they will be beautiful offices. The City also then
31 starts going down the pathway of "What is the Downtown Historic District?" and
32 inevitably someone points to the last office space and the last office space and the
33 City may sort of lose that area. She cannot but think -- and she doesn't know Mr.
34 Henry and she means no offense to him if he looked long and hard at hundreds of
35 different businesses-- but this seems to be the very easy way out, "Let's do an
36 office space." She could easily see a bookstore and a café up there. It doesn't
37 need to be a Houlihan's, which frankly she never liked their food, so that might
38 have been a reason it didn't succeed. But there are a lot of creative solutions that
39 take into account the fact this is a really unique town with a historical community
40 space and if Mr. Henry really wants office space, she can point him to 20 other
41 buildings in Sausalito's zip code where you can find office space. The historic
42 district is small, the whole town is small, and this is a small area of history and she
43 would loved to have seen the application speak to that with some sort of creativity.
44 It doesn't have to be all tourist, all the time, the City certainly doesn't need another
45 t-shirt shop, but if that's what he wanted to do, that would be a tourist-serving
46 enterprise. She understands the tenant's perspective that she'd like more

5A
5B

1 residents to come into the downtown area, but frankly, when a business is good
2 it's going to attract people, whether you are aimed at tourists or you're aimed at
3 locals; if you are good, if you provide quality service and quality goods, people are
4 going to come from everywhere. Look at Sushi Ran, that's the best example. She
5 can't help but feel the application suffers from a lack of creativity given the area of
6 town. This is such a specific town with so many historic issues that the City has
7 labored over; the Commission has labored over, and she would like to have seen
8 a little more creativity other than what sort of seems to be the easy solution to
9 recouping some rent, which is "let's do an office space."

10
11 Commissioner Petersen said he would like to continue with Chair Kellman's
12 thoughts. He's gone back and forth on this application. He liked the idea of there
13 being offices downtown. He loves the fact that Don Olsen is down there. There are
14 still some people serving the local community down there; the City has pretty
15 much lost that whole sector of town as the residents' own place to live. He has this
16 weird vision that one day they'll get it back. So he likes the idea of there being
17 office space there that provides services, perhaps local services and so on, but not
18 in that building. It isn't just the district, it's that place. That place has got huge
19 windows onto a park, onto the water and it's at a very, very important corner. And
20 he can't imagine fluorescent lights in there at night time and Title 24, Part 6 is
21 going to mandate that they put fluorescent lights there. There'll be computer
22 monitors in the window when you're dining down below in the park. It's just an
23 awful specter at such a special moment in the town, a very special moment in the
24 town. And to let it not be open to the public seems a real shame. He likes the idea
25 of there being professional offices downtown, but not in this building. There are
26 plenty of other opportunities in town for that use. But this just seems to be a place
27 that is begging for social interaction. It really is the hub of downtown. And it doesn't
28 have to be tourist-serving; it could just be a unique solution that takes advantage of
29 the unique situation that's there. He does think offices are the easiest, quickest
30 way out; it's the least that you have to invest in the building to be able to rent it out.
31 There is office stock for that elsewhere; this is just a really special moment that
32 needs a much more site specific solution. That park is very important, as tiny as it
33 is, and that intersection is very important. He went back and forth on it; it's a hard
34 one for him.

35
36 Commissioner Bair said he has the same sort of conflict about this application. It
37 can fit into the findings, it helps some with diversity. But ultimately he thinks this is
38 something that once it's gone, it's gone. Once the City loses that view-- it's not
39 "ours," but it has been quasi public in the sense it's been a restaurant and the
40 public was allowed to enjoy those views. The hard part is, yeah, we have a lot of
41 views along there, they're outside, but a restaurant use or some other use that
42 was in the same arena that allowed the public to enjoy those views is ultimately
43 where he's finding himself landing. He really thinks the City will lose something
44 over time; restaurants do fail regularly, but it's just like Gaylord's there now.
45 They've been through Valhalla and others; there are restaurateurs to be found if
46 one goes to look for them. He's not saying that's the preferred usage here, it's just

1 a space that at least since Houlihan's was there, had a certain allure to the
2 community or attractiveness. Once it goes to this use, you're going to lose it to the
3 other uses for all time. Christophe's down there on the corner of Spring Street is
4 another example of a small good restaurant that went under and as he
5 understands it, it is now going to office use.

6
7 Vice Chair Keller said realistically they didn't go under. They closed because they
8 were required to put in an extensive amount of money to bring it up to ADA
9 standards. So let's be honest about that.

10
11 Commissioner Bossio said \$30,000, which definitely that extensive--

12
13 Commissioner Bair said that's one of the primary reasons Water Street went out of
14 business-- it was about the ADA issue and who was going to pay for it-- and it's
15 awful hard to get somebody new to come in if you're not going to pay for the ADA
16 improvements.

17
18 Commissioner Bossio said part of her argument is that use is market driven; that's
19 not to say the City has a bunch of people who want to put in office space and
20 they're just going to leave that unregulated. But for instance, Christophe's was
21 there for a long time; they had to come up with \$30,000 to make it ADA compliant.
22 The margins in restaurants, with the exception of maybe the Buckeye Group, are
23 very skinny and so people can't just come up with \$30,000 out of pocket. The
24 landlord wasn't willing to put the money in to make it ADA complaint and it
25 becomes an office use. What control do you have over that when no one else
26 wants to step up? This piece of property, for her, is more like a successful mixed
27 use such as Café Trieste and the law offices that are above Café Trieste. You
28 have a vibrant place where community involvement is intense below, like you do at
29 El Picola; it took a while for El Picola to take off, and now it's very vibrant there. It's
30 successful and people enjoy it and it draws people to that location. It's a frenzied
31 area already. At most times, seven days a week except for certain periods of the
32 year, there is too much energy at that location. And so she looks at the office
33 space as being a calming effect in an area where a vibrant use is already being
34 successful. It's really kind of a perfect situation because you have retail, you have
35 the restaurant use downstairs, it's always packed, and then there's upstairs. Why
36 hasn't the market picked this up? The City has some of the finest restaurateurs in
37 the world in the Bay Area; why haven't they been attracted to the space? It's been
38 sitting there for three years; there's plenty of people that know what to do with
39 restaurants in the Napa, Sonoma, San Francisco area. Why is it they haven't been
40 drawn to it? The applicant shouldn't have to even advertise for space that is as
41 desirable as that space is, if it's truly desirable for a restaurant location.

42
43 Chair Kellman said they keep talking about a restaurant, a restaurant. There are
44 thousands of other types of uses.

45

1 Commissioner Bossio asked: But would those uses be profitable for him? For
2 instance, if they did a café/bookstore, which sounds fantastic-- and the bookstore
3 across from Gaylord, Habitat, is looking for a bigger spot, it would be perfect for
4 Habitat. Why haven't they wandered in and figured out how to use it? A bookstore
5 cafe could never afford space like that. The fact that it's perfectly perched in the
6 middle of Paradise is going to prevent some very creative uses because those
7 creative uses will never be able to rise to the occasion. The fact that he said \$3 a
8 square foot-- she pays \$3 a square foot for her office space and t doesn't come
9 anywhere near what having an office in that building would offer. That the market
10 is that low for that area is surprising to her. Regarding music, No Name has music;
11 Patterson's used to, Café Divino, very successful every single night with music;
12 Café Trieste and so she sees a lot of successful music venues. She would love to
13 have seen this place become a blues café. But she just doesn't think that it would
14 be able to sustain itself. Everyone knows that place is there. Every business that
15 has ever thought about being a business knows that that location is available; why
16 haven't they moved in?

17
18 Commissioner Petersen said alternately, the real history of it is that it has been a
19 place for a restaurant. For a restaurant to survive for 18 years means it must be a
20 great place for a restaurant. It must be viable. We're talking about three years now;
21 that could just be more about personalities than about real estate.

22
23 Chair Kellman asked to hear from Vice Chair Keller.

24
25 Vice Chair Keller said he tends to agree with Commissioner Bossio. In a perfect,
26 ideal situation, sure, he'd love to see a restaurant there, but he's got to be realistic
27 about it. Could there be other resident-serving uses besides offices? Possibly, yes.
28 But the bottom line is that the applicant is before the Commission wanting to
29 convert the upstairs to office space. You've got this in San Francisco, where
30 you've got retail space on the lower floor and you've got either residential or
31 commercial up above. If he was the owner of this building, he'd probably be
32 applying for the same thing. In the end you want diversification of tenants in your
33 building so that you've got a continual, stable revenue base, not only for the owner
34 but also for the City. He hears what the other Commissioners are saying and you
35 can say that it's a tragedy that the public is not going to have access to this view,
36 but the bottom line is that it's been vacant for three years; nothing's going on with
37 the place. You can ask yourself why isn't someone like Yoshi or Larry Mindell
38 looking at that space? There's something about that space that doesn't attract
39 them. Granted, it's got a great view. The same thing with Ondine's. Why isn't
40 something there? There's a reason for it. He just thinks that maybe you can ask
41 yourself if there are too many restaurants in Sausalito. Maybe there are too many
42 art galleries in Sausalito. From his perspective, he'd rather see those places
43 occupied than be vacant just because the City idealistically would like to see
44 something that the residents define as more historical and as restaurant, etcetera.
45 He'd be very much in favor of seeing something there.

1 Chair Kellman said it sounds like the project is headed towards a denial. One of
2 the things the Commission is dealing with here is this isn't just any part of
3 Sausalito. This isn't the corner of Olive where Christophe's is, it is a very unique
4 part of Sausalito. So maybe the Commission could explore with the applicant a
5 real mixed use, which is come back to the Commission with two CUP applications
6 or maybe just one for half the space as an office space and the other half as
7 something that seems to fit more within what the other half of the Commission is
8 suggesting, to further that mixed use idea. Because she sees it heading towards a
9 no, but there might be room for creativity if the applicant is willing to explore that?

10
11 Commissioner Petersen said that particular place really, really deserves a creative
12 solution and not just the easiest way out.

13
14 Chair Kellman said what the Commission is struggling with is the fact that the
15 property is located within the historic district. The area has no end of history you
16 can draw from in being creative. She tends to not be one of those folks who looks
17 at commercial uses and says there's too many x or y's. She still thinks that if it's
18 good and it has a good product it does well. Go to Santa Fe and there's a gallery
19 on every corner and in every storefront. So, if it's good, it'll do well. If the applicant
20 is open to looking at something that maybe addresses the Commission's issue, the
21 Commission can entertain a continuance rather than a denial. But if it's a denial,
22 then the applicant's option would be to appeal it to the City Council.

23
24 (A member of the audience asked to speak.)

25
26 Chair Kellman said if he is a member of the applicant's team and has something
27 additional to say he may. But she doesn't want to continue to debate whether a
28 restaurant can be successful there. The point the Commission is making relates to
29 the historic nature of the downtown area and that specific area under the zoning
30 code. So she's waiting to hear if they want a continuance or a vote of denial.

31
32 The applicant asked for recess to discuss the options.

33
34 (Recess)

35
36 Richard Berling said the applicant appreciates the difficulty of the Commission's
37 decision; he grew up in Marin and he knows the importance of these wonderful
38 little nuggets of space that you find around Marin County. But just because
39 historically someone has sat in a restaurant and looked at a view and paid \$10,
40 \$20, \$50 for a meal, it's tough to impose that kind of requirement if when the
41 customer leaves the building, the owner is stuck with a losing proposition. This is a
42 very down economic time also, which also influences the situation. His firm is
43 always thinking about ways to have a creative solution; they're not attorneys, they
44 don't want to fight. There usually is a design solution for some of these problems,
45 but money is real too, and it's very difficult to hold on to these properties in this day
46 and age, particularly now when you hope to have a tenant, and hope to have

1 somebody call you and say, "Oh it would be great." If you threw out enough money
2 and creativity any spot can be turned into a successful project in the sense that a
3 lot of people would come and enjoy it. It might take you to the poorhouse but it
4 might be successful in the context that the Commission is talking about. Everyone
5 would love a bookstore, a coffee shop, a little blues in the background and a great
6 view of the City.

7
8 Chair Kellman asked Mr. Berling if his client wished to have a continuance or a
9 vote?

10
11 Mr. Berling said with all of that being said and understood, they'd like to get a
12 continuance and try to come up with something and see where it goes.

13
14 Chair Kellman said that's a good idea. They'll make it a date uncertain, when the
15 applicant's ready come back, just let staff know and ask to be put back on the
16 agenda. She appreciates the applicant taking the opportunity, because she
17 believes they can probably do some wonderful things there.

18
19 **Chair Kellman moved, seconded by Commissioner Petersen, to continue the**
20 **application to a date uncertain.**

21
22 **ROLL CALL**

23
24 **AYES: Petersen, Bair, Chair Kellman**

25 **NOES: Vice Chair Keller, Commissioner Bossio**

26
27 **Chair Kellman moved, seconded by Commissioner Petersen, to adjourn the**
28 **meeting. The next Planning Commission meeting is May 14, 2008.**

29
30 Respectfully submitted,

31
32 Tricia Cambron
33 Minutes Clerk
34

BLANK

**City of Sausalito
Historic Landmarks Board
Meeting Register for May 19, 2008**

DATE: Monday May 19, 2008
MEETING TIME: 5:30 P.M.
LOCATION: Sausalito City Council Conference Room, 420 Litho Street, Sausalito, CA

CALL TO ORDER / ROLL CALL 5:35 P.M.

Boardmembers Vicki Nichols, Chair X Jason Weisberger, Co-Chair _____
Thomas Theodores X Mike Monsef X

Attendees Sierra Russell, Associate Planner
Don Olsen
Chris Henry
Eric Long

AGENDA APPROVAL Approved 3-0

COMMUNICATIONS/PUBLIC COMMENTS ON ITEMS NOT ON THIS AGENDA

Members of the public are invited to address the Board concerning topics that are not listed on the agenda. If an item is agendaized, interested persons may address the Board during that item.

CONSENT CALENDAR

No Consent Calendar Items

HISTORIC VALUE AND 50-YEAR REVIEW ITEMS

Where an application has been submitted to the Community Development Department to alter the exterior of any building that is 50 years or older, the proposed project information is forwarded to the Historic Landmarks Board for historic value review.

No 50-Year Review Items

STUDY SESSION ITEMS

1. **660 Bridgeway** – Discussion of conceptual design improvements for the building located at 660 Bridgeway in the Downtown Historic District. This item is the continuance of a previous study session conducted with the Historic Landmarks Board for the proposed project on February 25, 2008 and historical research of the property completed with the Board on March 3, 2008.

Discussion: The applicant, Don Olsen, representing property owner Chris Henry presented a proposed design concept for the structure located at 660 Bridgeway. The project is to renovate the façade for the structure, including with a new glass entrance, brick veneer, concrete columns, and other façade improvements. Board Member comments included that the design was too modernist and slightly out of place, the glass is not compatible with the downtown, the brick and glass should integrate together, the glass entrance should be refined, and historical architectural elements should be incorporated on the front façade. The Board Members noted that seeing an elevation with the existing landscaping would help visualize the proposed design, that there needs to be additional detail on front and side elevations, and that it would be helpful to see a rendering with the proposed atrium closed and open.

Exhibit F
(2 pages) 41 5A
PAGE 41 59
NO. 3

BOARD DISCUSSION ITEMS

2. Approval of May 5, 2008 Meeting Register - Approved 3-0

ADJOURNMENT 6:45 P.M.

PROCEDURE TO FILE APPEAL: To appeal any action by the Historic Landmarks Board, a **WRITTEN LETTER OF APPEAL THAT STATES THE REASONS FOR THE APPEAL** and the required **APPEAL FEE** must be filed with the City Clerk's Office **WITHIN TEN (10) DAYS** from the date of the decision.

In compliance with the AMERICANS WITH DISABILITIES ACT, if you need special assistance to participate in this meeting, please contact the Community Development Department at 289-4100. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [29 CFR 35.102-35.104 ADA Title 11]

CHARIS HENRY

PO BOX 411
TIBURON CA 94920
Phone 415-260-1293
Chenry39@comcast.net

RECEIVED

FEB 14 2008

February 13, 2008

CITY OF SAUSALITO
COMMUNITY DEVELOPMENT DEPT

NEIGHBORHOOD OUTREACH FOR 660 BRIDGEWAY / OFFICE

To whom it may concern:

Below is a list of neighbor's in close proximity to 660 Bridgeway and we are of the opinion that office use would be alright. It would be nice to see the upstairs portion occupied and not sit vacant.

Ann Bleemel, Faggi
Ann Royal Arts Co

Exhibit 6
(2 pages)

CHARLES HENRY

PO BOX 411
TIBURON CA 94920
Phone 415-260-1293
Chenry39@comcast.net

RECEIVED

FEB 14 2008

February 12, 2008

CITY OF SAUSALITO
COMMUNITY DEVELOPMENT DEPT.

NEIGHBORHOOD OUTREACH FOR 660 BRIDGEWAY / OFFICE

To whom it may concern:

Below is a list of neighbor's in close proximity to 660 Bridgeway and we are of the opinion that office use would be alright. It would be nice to see the upstairs portion occupied and not sit vacant.

Thomas P Mahoney Winship Restaurant

Ken N - Games People Play / Sausalito terny

John Woodhull - something / ANYTHING

Fahad Tehrani

My K. (TIBET & GIFTS)

they go to exquisite silk co

Mauro Dosolini

Chris Henry
PO Box 411
Tiburon, CA 94920
Phone 415-260-1293
Cherry39@comcast.net

.....

October 11, 2008

City of Sausalito Planning Commissioners and Historic Land Marks Board Members
Sausalito, CA 94965

Re: October 20th HLB and October 29th Planning Commission Meeting/660 Bridgeway

Dear Members,

Following is an outline of the proposed Hotel use at 660 Bridgeway in Sausalito. This topic will be discussed at the upcoming October 20th HLB hearing and at the October 29th Planning Commission meeting. This summary is provided for your information.

660 Bridgeway was formerly the site of the old ferry terminal, and later the Purity Market. From reviewing historical photos and records of the property, it appears that both operations had offices and/or residential housing on the second floor.

More recently, the building housed 2nd floor restaurants, including Houlihans and the Waterstreet Grill. Both of these ventures struggled and ultimately failed. Previous restaurants also failed.

Since acquiring the property a year and half ago, I have tried to locate a paying restaurant tenant, with no success. For the two years previous to my efforts, the former owner also tried and failed to locate a restaurant tenant for the 2nd floor space.

I have determined that the best plan is to build a first class small Hotel. Hotel use will generate sufficient income to support a much-needed update of the interior and exterior, as well as to correct ADA issues. It is imperative to spruce up the exterior of the building in order to make a successful project. Don Olsen and our design team have gone to great lengths to preserve the archway in the design. I am proposing nine rooms, as well as a lobby and restrooms.

It is my opinion that a small Hotel will benefit the City of Sausalito as well as drive more tourist traffic that will patronize the local business and downtown restaurants.

If you would like a walk-through at the site, please call me to arrange a time convenient to you. I can be reached at 415-260-1293.

Sincerely,


Chris Henry

Exhibit H
(1 page)
ITEM NO. 3 PAGE 45 ~~63~~ SA

BLANK

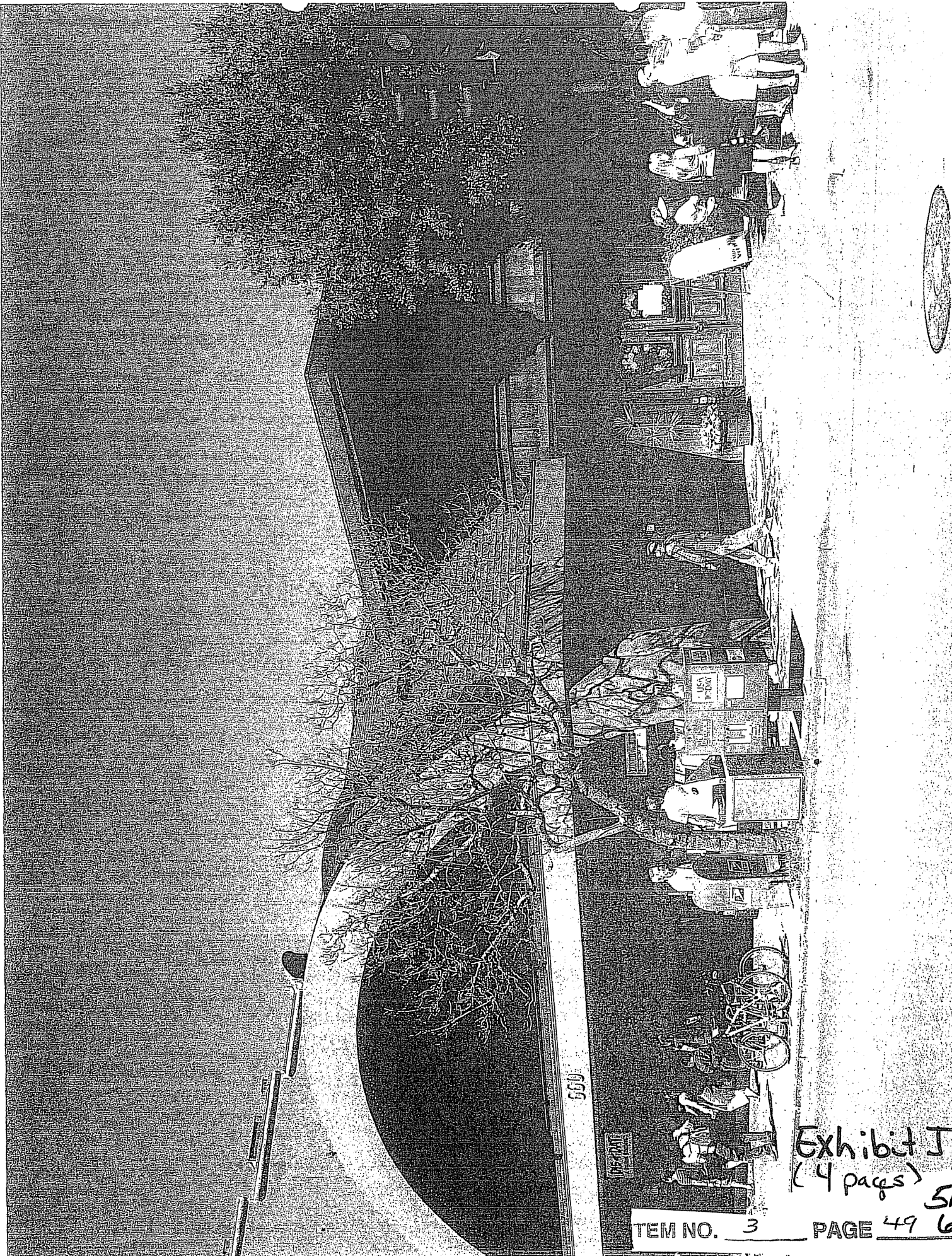
Vicinity Map



Exhibit I
(1 page)

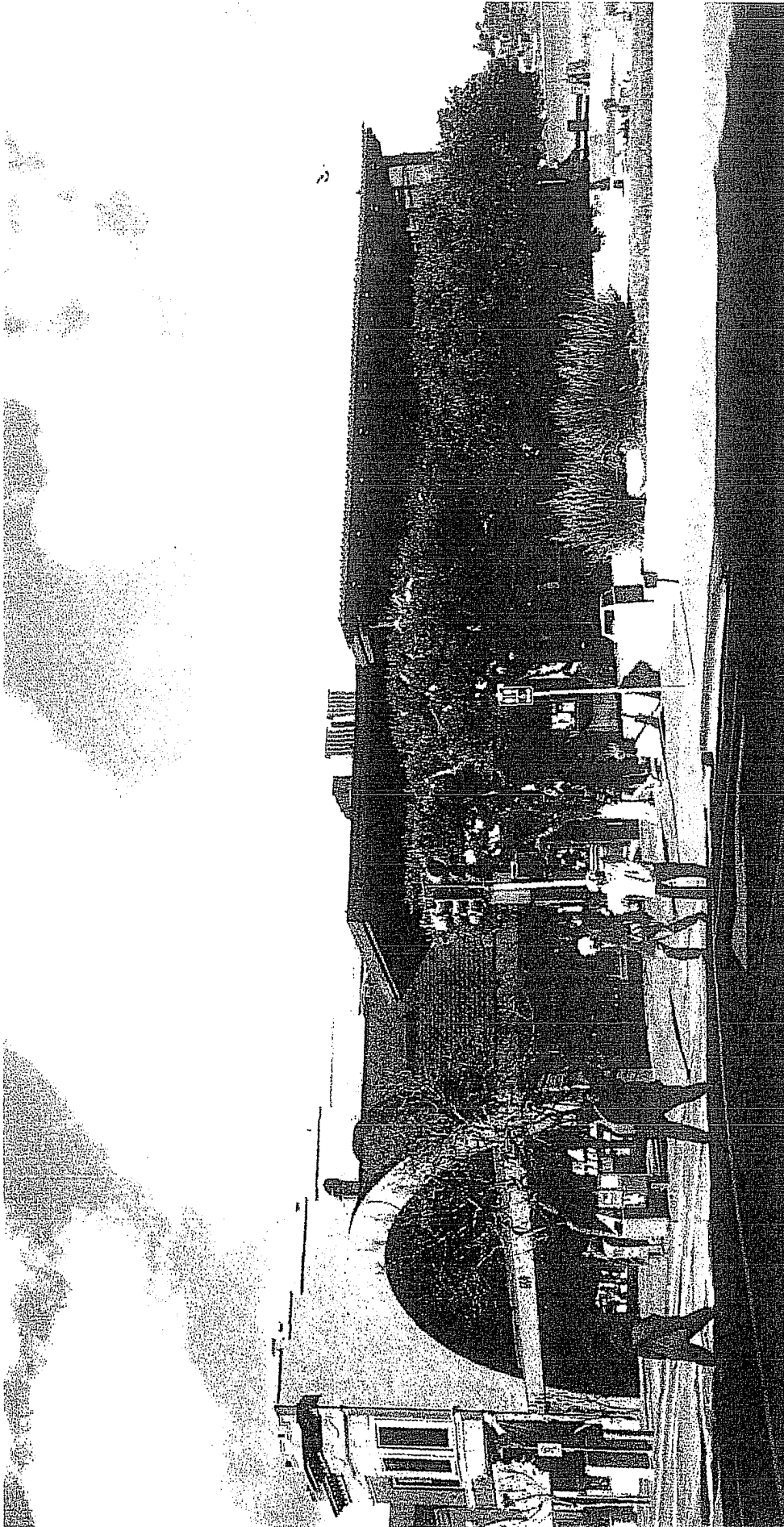
SA
65

BLANK

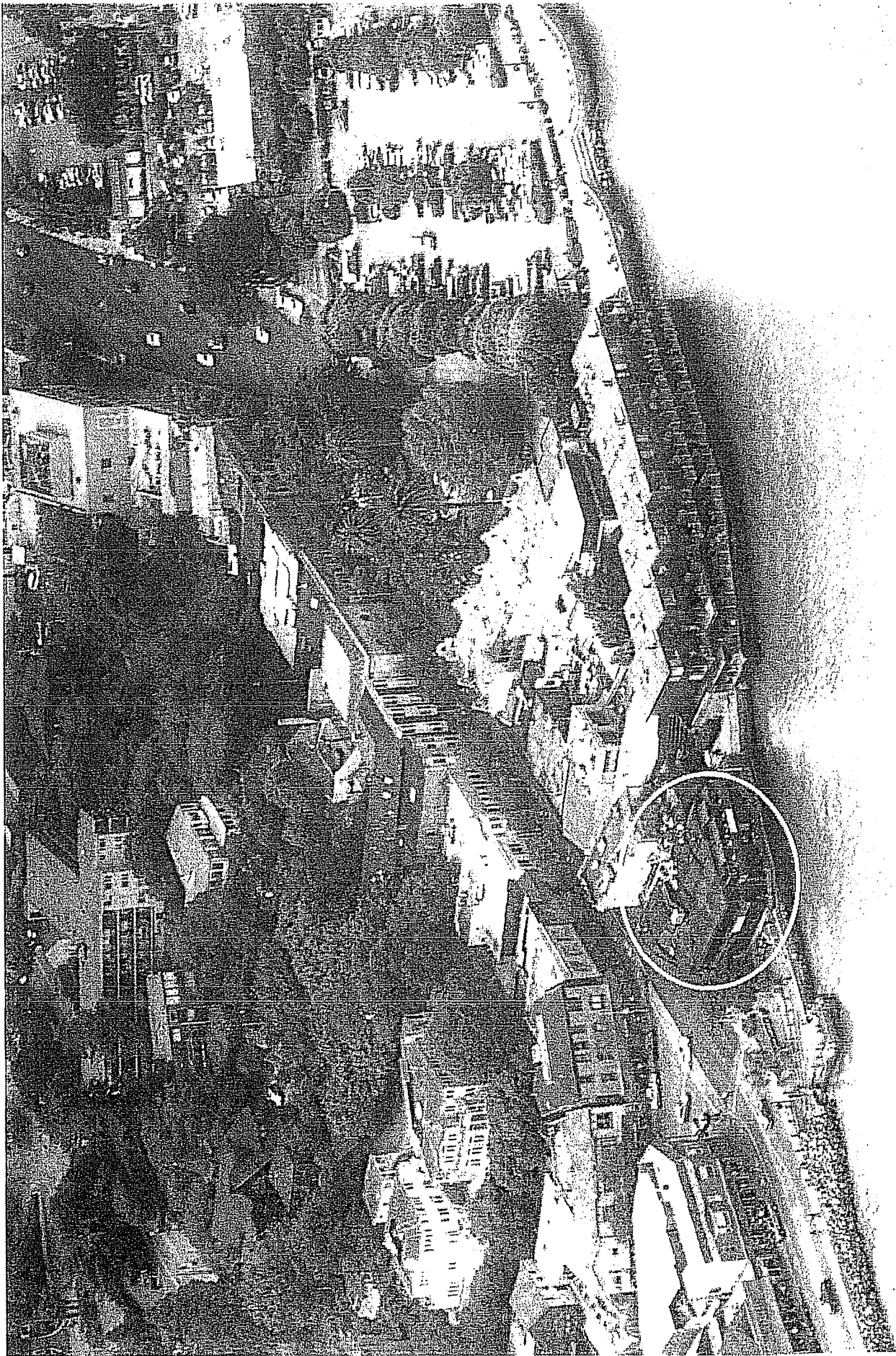


669

Exhibit J
(4 pages) SA



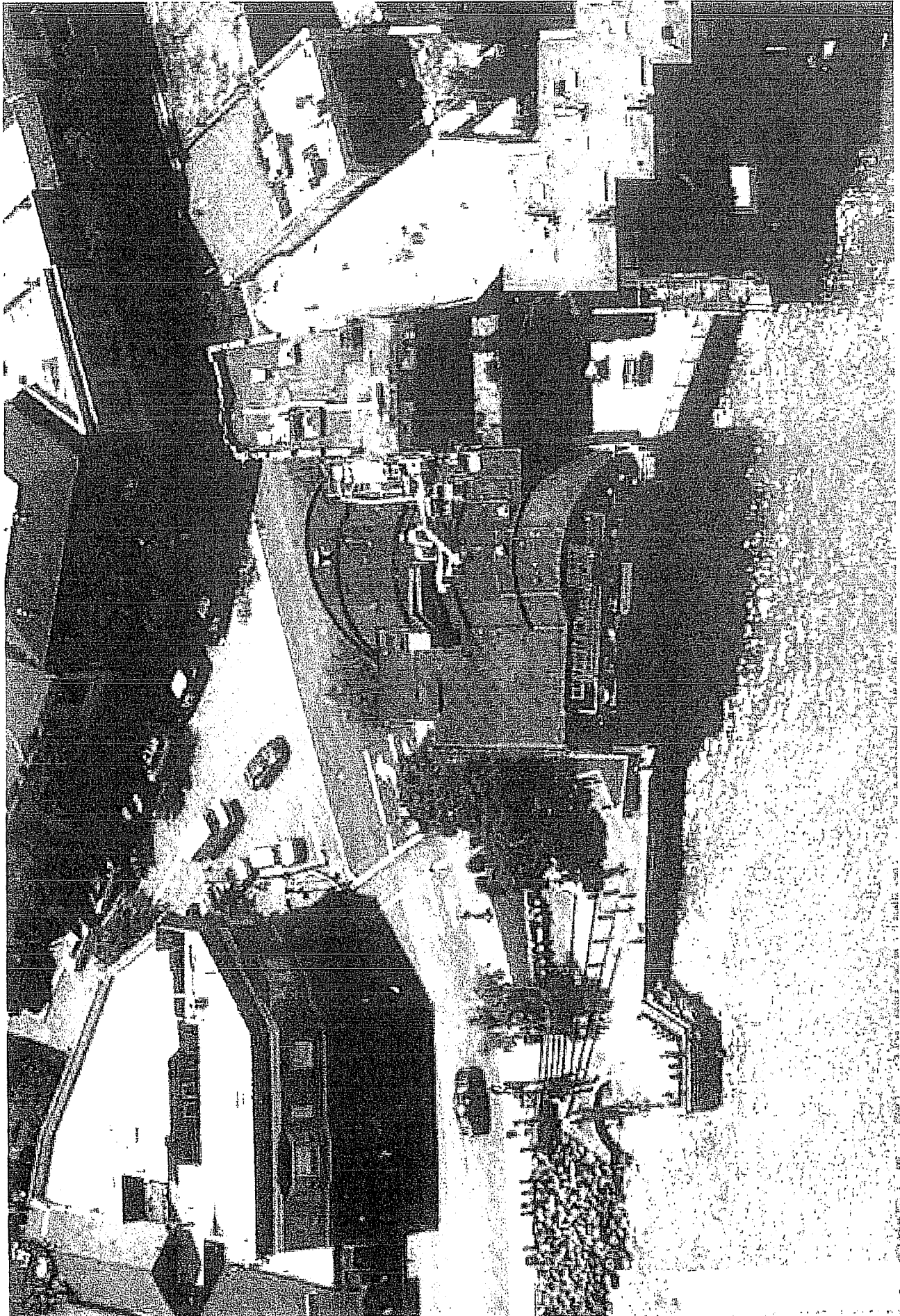
SA
68



5A
69

ITEM NO. 3

PAGE 47



SA
70

**SAUSALITO PLANNING COMMISSION
RESOLUTION NO. 2009-07**

**A RESOLUTION APPROVING A CONDITIONAL USE PERMIT TO ALLOW AN OFFICE
CONVERSION OF THE SECOND LEVEL OF THE STRUCTURE AT 660 BRIDGEWAY
(CUP 08-002)**

WHEREAS, an application has been filed by applicant, Chris Henry, requesting Planning Commission approval of a Conditional Use Permit to convert the vacant second level tenant space (previously used by a restaurant) into a four-suite office at 660 Bridgeway (APN 065-133-25); and

WHEREAS, the Planning Commission conducted a duly-noticed public hearings on April 23, 2008, November 5, 2008, and January 28, 2009 at which time all interested persons were given an opportunity to be heard; and

WHEREAS, the Planning Commission finds that the proposed project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15303 (c); and

WHEREAS, the Planning Commission has reviewed and considered the project plans titled "660 Bridgeway" and date-stamped received on January 15, 2009; and

WHEREAS, the Planning Commission has received and considered oral and written testimony on the subject application; and

WHEREAS, the Planning Commission has reviewed and considered the information contained in the staff report for the proposed project; and

WHEREAS, the Planning Commission finds that, as conditioned herein, the proposed project complies with the requirements of the Zoning Ordinance as described in the staff report; and

WHEREAS, the Planning Commission finds that, as conditioned herein, the proposed project complies with the General Plan as described in the staff report.

NOW, THEREFORE, THE PLANNING COMMISSION HEREBY RESOLVES AS FOLLOWS:

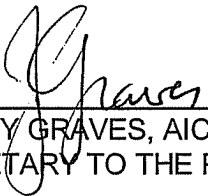
Conditional Use Permit CUP 08-002 to convert a vacant second-level tenant space into a four-suite office at 660 Bridgeway is approved based upon the findings provided in Attachment 1 and subject to the conditions of approval provided in Attachment 2. The project plans are provided in Attachment 3.

*Attachment 5
(9 pages)*

*5A
71*

RESOLUTION PASSED AND ADOPTED, at the regular meeting of the Planning Commission on the 28TH day of January 2009, by the following vote:

AYES:	Commissioner:	Keegin, Cox, Keller
NOES:	Commissioner:	Bair
ABSENT:	Commissioner:	Stout
ABSTAIN:	Commissioner:	None



JEREMY GRAVES, AICP
SECRETARY TO THE PLANNING COMMISSION

ATTACHMENTS

- 1- Findings
- 2- Conditions of Approval
- 3- Project Plans

I:\CDD\PROJECTS - ADDRESS\A-B\Bridgeway 660\CUP-DR 08-002\660 Bridgeway CUP_pceso 01-28-09 Approved

PLANNING COMMISSION RESOLUTION
January 28, 2009
CUP 08-002
660 BRIDGEWAY

ATTACHMENT 1:
FINDINGS

1. CONDITIONAL USE PERMIT FINDINGS

In accordance with Zoning Ordinance Section 10.60 (Conditional Use Permits), the Conditional Use Permit is approved based on the following findings:

- A) The proposed use is allowed with issuance of a Conditional Use Permit, pursuant to Chapters 10.20 through 10.28 (Zoning District Regulations), or Section 10.46.040 (Conditional Uses), Chapter 10.44 (Specific Use Requirements) or any other applicable section of this Title 10.

Office conversions of previously eating and drinking establishments in the Central Commercial (CC) Zoning District are permitted with approval of a Conditional Use Permit by the Planning Commission (Zoning Ordinance Section 10.44.250).

- B) The proposed use is consistent with the General Plan, the purposes of the Zoning Ordinance, and the purposes of the applicable zoning district.

The proposed office is consistent with General Plan policies to enhance the economic diversity of the downtown and to respect and maintain the exterior integrity of historic structures and sites (Sausalito General Plan Policy LU-2.2 and Objective CD-7.0). The proposed office use will enhance the local economy by attracting small local businesses to a site that has been vacant for several years, which is consistent with the stated purpose of Commercial Districts in the Zoning Ordinance to provide space for diverse types of commercial activity to serve people and industry, while maintaining and strengthening the economic base of the City of Sausalito (Section 10.24.010.A).

- C) The proposed use, together with the applicable conditions, will not be detrimental to the public health, safety, or general welfare of the City

The proposed use will operate in the second floor of a two-story building, a location suitable for this type of low-impact use that does not appear to adversely impact the public health, safety, and welfare of the City. The offices will replace a previous restaurant use that allowed a greater occupancy of the building, and thus will reduce impacts to the site and structure in terms of parking and number of visitors.

- D) The proposed use complies with all of the applicable provisions of the Zoning Ordinance.

With approval of the Conditional Use Permit, the use will comply with all applicable provisions of the Zoning Ordinance for office conversions (Section 10.44.250). The new use will not exacerbate or intensify the existing legal nonconforming off-street parking of the structure, but rather will locate a use requiring less parking in the upper floor.

- E) The proposed use or facility is properly located relative to the community as a whole and to land uses and transportation and service facilities in the vicinity.

The office is an appropriate use for second level tenant space in the Downtown that has been vacant for several years and has not recently proven to economically support restaurants. Historically, the 660 Bridgeway site has supported offices, as it was the original location of the Sausalito Land & Ferry Company real estate offices in 1906. The second level is also not currently designed to accommodate residential uses, which is the use that is typically permitted in upper levels of commercial buildings in the Downtown.

- F) The size and shape of the subject property is adequate to provide features needed to ensure reasonable compatibility with land uses normally permitted in the surrounding area. Features may include but not be limited to yards, open spaces, walls and fences, parking, loading, landscaping, and such features as may be required by this Title or the Commission.

The addition of the proposed use will not alter the open spaces, walls, parking, or landscaping of the site, which is currently adequately designed to provide features necessary to ensure compatibility with normally permitted land uses in the surrounding area. The size of the tenant space is also compatible with what is necessary to support an office use, and is in a location that will not impact continuous retail frontage along the ground floor.

- G) Public utilities and facilities are or will be adequate to serve the proposed use, including streets and highways paved (and of adequate width) for the quantity and type of traffic it will generate.

All public utilities and facilities are adequate for the proposed use. It is not anticipated that the use will generate additional traffic impacts to Bridgeway, as the use is replacing a previous restaurant use that allowed for a higher occupancy and required a higher off-street parking ratio.

- H) The proposed use will not materially adversely affect nearby properties or their permitted uses.

The purpose of the CC District is to allow for continuous ground floor retail frontage and prohibit establishments that break up such continuity, and provide for upper-floor residential uses (Zoning Ordinance Section 10.24.020). In the case of the proposed use, the offices will be located in an upper floor location, where generally residential uses are permitted. However, this particular location has historically been used for retail and restaurant uses since the 1940's and is not designed to accommodate residences. Because the permitted retail and restaurant uses have not proven to be economically viable for the upper floor tenant space, and the applicant is proposing a use similar in intensity to the residential uses permitted for the upper floor of commercial buildings in the Downtown, it does not appear the proposed office use will materially adversely affect the Downtown Historic District and its permitted uses.

2. OFFICE CONVERSIONS FINDINGS

In accordance with Zoning Ordinance Section 10.44.250 (Office Conversions), the Conditional Use Permit is approved based on the following findings:

- A) The proposed use will promote diversity and variety to assure a balanced mix of commercial uses available to serve both resident and visitor populations.

An office use in the second level of a commercial building will provide balance to the mixture of commercial uses in the Downtown, which are predominantly retail, restaurants, art galleries, hotels, and other visitor-serving uses. Office workers will patronize existing commercial uses, and will encourage a working population in the downtown in addition to visitors.

- B) The proposed use will not result in an over-concentration of a specific use within the district.

There are very few offices located in the CC District, and almost all are located in the upper levels. Based on review of current occupational permits issued and a Downtown site visit, staff estimates approximately three buildings in the Downtown currently house upper level offices, including 1-15 Princess, 665 Bridgeway, and 666 Bridgeway. As there are currently so few offices, staff does not anticipate the proposed use conversion will result in an over-concentration of offices within the CC District. Although the CC District is intended for upper level residences and ground floor retail, the subject building is not designed to accommodate residential uses, as it was originally designed as a supermarket. A second level office is a lower intensity use that is similar in nature to the residential uses permitted in the CC District.

- C) The proposed use would be mutually beneficial to, and would enhance the economic health of, surrounding uses in the district.

The existing tenant space in the upper story has been vacant for several years, with several attempts to reopen a restaurant that have failed. A new business or professional office will diversify Sausalito's economy and encourage the retention of local business. Small businesses of this type were ranked as the most acceptable and most important businesses for the City in a survey conducted by Gene Bregman & Associates (Executive Summary Report from a Survey of Adult Residents in Sausalito, October 2006). The addition of an office in the Downtown would bring new employees to patronize downtown businesses, thus enhancing the economic health of the district.

- D) The proposed use will enhance and maintain the efficient use of available public and/or private parking in the applicable district.

Although the proposed office use does not include additional parking, the new use provides for a less intense parking demand than the previous restaurant use. The eating and drinking establishment that was previously located in the tenant space would require a minimum of thirty (30) off-street parking spaces, while the new office use would require fourteen (14), which is clearly a less intense use in terms of parking requirements

.I:\CDD\PROJECTS - ADDRESS\A-B\Bridgeway 660\CUP-DR 08-002\660 Bridgeway CUP_pceso 01-28-09 Approved

PLANNING COMMISSION RESOLUTION
January 28, 2009
CUP 08-002
660 BRIDGEWAY

ATTACHMENT 3: CONDITIONS OF APPROVAL

These conditions apply to the project plans prepared by the Pacific Design Group and entitled "660 Bridgeway" and date-stamped received on January 15, 2009.

General

1. Prior to issuance of a building permit to allow for any interior alternations related to the office use, the property owner shall obtain a Design Review Permit.
2. No alternative or unrelated construction, site improvements, tree removal and/or alteration, exterior alterations and/or interior alterations and/or renovations not specified in the project plans, or alterations approved by the Community Development Director, shall be performed on the project site. In such cases, this approval shall be rendered null and void unless approved by the Community Development Department as a modification to this approval.
3. An approval granted by the Planning Commission does not constitute a building permit or authorization to begin any construction. Appropriate permit(s) issued through the Building Division and Planning Division must be obtained prior to constructing, enlarging, moving, converting, or demolishing any building or structure within the City.
4. Prior to occupancy for the permitted office use, the applicant shall take action to reduce visibility of office equipment and materials from off-site locations such as tinted windows, lease restrictions on tenant storage in front of windows, or other measures subject to written approval of the Community Development Director.
5. Use of the second level is limited to office uses. Residential uses are not permitted.
6. This conditional use permit expires two (2) years from the date of adoption of this resolution if the property owner has not exercised the entitlements hereby granted.

Advisory Notes:

Advisory notes are provided to inform the applicant of (a) Sausalito Municipal Code requirements, or (b) requirements imposed by other agencies. The advisory notes are not a part of the Conditions of Approval.

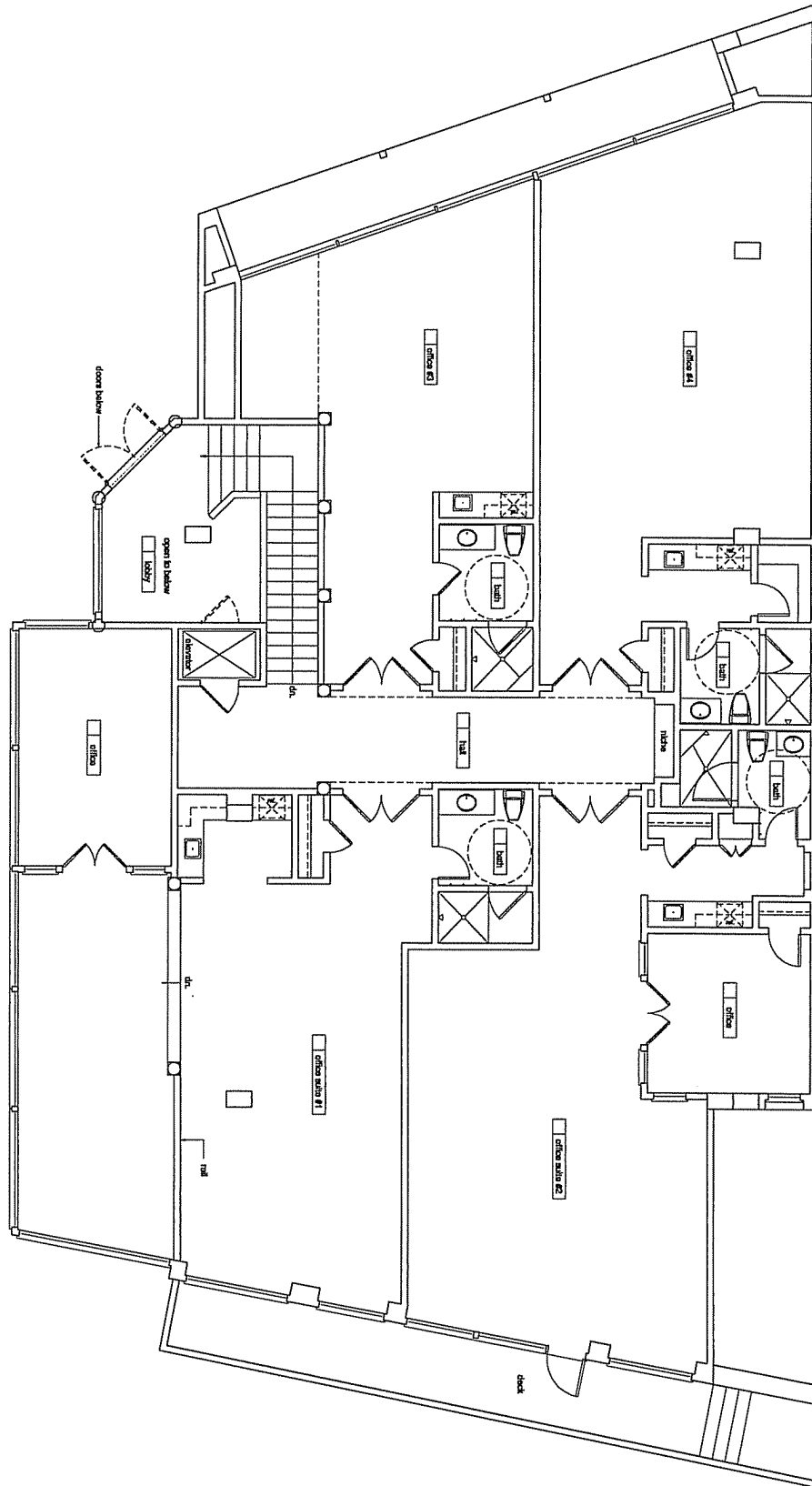
1. The Developer shall pay all applicable City fees as established by City Council resolution and City ordinances.

2. The applicant is responsible for obtaining any other permits required by other agencies having jurisdiction within construction area.
3. This approval does not authorize the installation of any signage or exterior lighting.

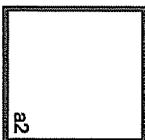
I:\CDD\PROJECTS - ADDRESS\A-B\Bridgeway 660\CUP-DR 08-002\660 Bridgeway CUP pc reso 01-28-09 Approved

PLANNING COMMISSION RESOLUTION
January 28, 2009
CUP 08-002
660 BRIDGEWAY

ATTACHMENT 3: PROJECT PLANS



north
 5,051 B.F.
 excluding upper level
floor plan
 1/4" = 1'-0"



660 BRIDGEWAY
 APR 065-133-25
 660 BRIDGEWAY
 SAUSALITO, CALIFORNIA

PACIFIC DESIGN GROUP
 Architecture
 880 MADRICK AVENUE
 SUITE 800
 LA JOLLA, CALIFORNIA 92038
 619-451-8800 FAX



THE ARCHITECT DOES NOT
 WARRANT THAT THESE PLANS
 OR THE SPECIFICATIONS OR
 CONDITIONS THEREWITH ARE
 COMPLETELY ACCURATE OR
 SUFFICIENT FOR ANY OTHER
 PURPOSE THAN THAT FOR
 WHICH THEY WERE SPECIFICALLY
 PREPARED. THE ARCHITECT
 SHALL ASSUME NO LIABILITY FOR
 THESE PLANS AND SPECIFICATIONS
 IF THEY ARE USED IN WHOLE
 OR IN PART AT ANY OTHER SITE.

5A
 79