
To: Ryan Bane, Senior Planner
City of Santa Cruz Planning and Community Development Department

From: Stephanie Strelow

Subject: The Cruz Hotel CEQA Categorical Exemption Review

Date: March 18, 2024

This memorandum provides a review of the applicability of California Environmental Quality Act (CEQA) Guidelines section 15332, Class 32 categorical exemption for In-Fill Development Projects, to the proposed hotel project, referred to as The Cruz Hotel, located in downtown Santa Cruz.

I. Background

1. **Application No:** CP21-0051
2. **Project Title:** The Cruz Hotel
3. **Project Location:** 302, 310, 314, 324, 326, and 328 Front Street (APNs 005-151-48, -43, -29, -51, -35, and -34); see Figure 1.¹
4. **General Plan Designation:** Regional Visitor Commercial (RVC), Natural Areas (NA)²
5. **Zoning:** Central Business District (CBD) / CZ-O (Coastal Zone Overlay) / SP-O (Shoreline Protection Overlay) / F-P (Floodplain) / Floodplain Overlay (FP-O)³

A. Project Location

The proposed project is located on the northeastern corner of the Front Street/Laurel Street intersection in the City of Santa Cruz (City) on a flat approximately 0.75-acre (32,161-square-foot) parcel. The project site totals approximately 1.1 acres (48,185 square feet) with proposed offsite improvements on the adjacent San Lorenzo River levee (see Section II.B below for description) and City-owned property on the north (Maple Alley as described below). The site is bounded by Front Street on the west, Laurel Street on the south, the San Lorenzo River levee and Santa Cruz Riverwalk on the east, and an existing commercial building on the north. The site is located within the coastal zone and is within the boundaries of the City's adopted *Downtown Plan*.

¹ All figures are included at the end of this document.

² The project site is designated RVC. The adjacent San Lorenzo River levee upon which project improvements are proposed is designated NA.

³ The adjacent San Lorenzo River levee upon which project improvements are proposed is zoned FP-O.

B. Existing and Surrounding Land Uses

The project site is flat and developed with one commercial building, which currently is a community credit union, and two paved surface parking lots. The hotel development site is devoid of vegetation, although there are 24 trees adjacent to the site, including seven street trees and 17 planted trees on the west slope of the San Lorenzo River levee, of which 11 are heritage trees as defined by the City's Heritage Tree Ordinance.

The project site is located within a developed, mixed-use area in the downtown area of the City. Mixed-use projects, consisting of residential uses with ground floor commercial uses, are being developed or are approved in the vicinity. One project is located across the street from the proposed project site on Front Street, and construction is nearing completion. Two other mixed-use projects have been approved north of the project site along Front Street, one of which recently started construction. Commercial uses are predominantly found along Pacific Avenue west of the project site, which will also provide residential uses with residential-commercial mixed-use projects that have been approved within the last couple of years. A residential neighborhood is located east of the Lorenzo River and the project site.

II. Project Description

A. Description of Project Components

Permits and Project Approvals

The project consists of a Coastal Permit, Non-Residential Demolition Authorization Permit, Design Permit, Boundary Line Adjustment, Special Use Permit, Revocable License for an Outdoor Extension Area, and Heritage Tree Removal Permit, to demolish a commercial building, combine five parcels, and construct a six-story, 232-room hotel with ground floor retail, banquet and conference space, restaurant, and bar. The proposed Boundary Line Adjustment would combine five existing parcels into one parcel to support the proposed hotel.

The proposed project requires approval of a Section 408 Letter of Permission from the U.S. Army Corps of Engineers (USACE) to allow for the placement of fill between the levee and the proposed building and to allow for the development of an outdoor extension area adjacent to the Santa Cruz Riverwalk multi-use path as described in Section II.B below. The proposed project also is contingent upon the acquisition of publicly-owned land, including a parcel to the north (APN 005-151-035) and a portion of a second parcel to the south (APN 005-151-48) from the City of Santa Cruz, subject to applicable provisions of the Surplus Lands Act.

The project is located within the Front Street/Riverfront Corridor area of the *Downtown Plan*. The project site also is within "Additional Height Zone B" in the *Downtown Plan*; this zone allows heights up to 70 feet with implementation of specified development standards identified in the *Downtown Plan*. The proposed project is requesting additional height from 50 feet to 70 feet. No other variations to *Downtown Plan* development standards are requested as part of the proposed project.

Description of Proposed Project Elements

Hotel Uses. The project would result in construction of a six-story, approximately 153,600-square-foot hotel building consisting of commercial space and 232 hotel rooms, which include a range of room sizes and styles. The proposed building would occupy a 27,880-square-foot footprint and would be 70 feet tall. The hotel anticipates an annual average occupancy rate of approximately 72 percent.

The hotel entrance is on the ground level, accessed from Front Street. The second level includes the hotel lobby, restaurant and kitchen area, outdoor bar terrace, “ballroom”/banquet hall space, and five small meeting rooms. The hotel rooms would be located on the 3rd through 6th levels. An open atrium extends from the roof to the entrance floor. Project plans include a rooftop pool and outdoor terrace with three pools, lounge area and bar, and a spa with different types of sitting pools would be located on the 4th level. Figure 2 presents the project site plan.

Approximately 6,775 square feet of banquet/meeting room space is proposed with two “ballrooms” totaling approximately 3,575 square feet and five meeting rooms totaling approximately 3,200 square feet. These spaces could accommodate meetings and/or banquets with attendance of up to approximately 350 people if fully occupied.

According to information provided by the project applicant, the proposed hotel is expected to have approximately 100 total employees, including part-time and full-time employees. The average number of employees on a given day would vary throughout the year, but on average would range between approximately 50 and 70 daily employees.

Project Access and Parking. Vehicular access to the new hotel would be via one driveway off of Front Street, approximately 175 feet north of Laurel Street, to access a porte cochere. The driveway would provide one inbound and one outbound lane. The porte cochere, which connects to the driveway, would provide one inbound travel lane with a loading area. Employee and visitor access to the lobby would be provided off of Front Street. The project also proposes an entrance to the café on Laurel Street and an entrance to a retail tenant on Maple Alley.

The proposed mixed-use development would provide 202-214 parking spaces within three levels of subterranean parking, which would be accessed only by valet parking; electric vehicle (EV) charging/parking spaces will be required. The project would also provide 68 Class 1 bicycle parking spaces and 56 Class 2 bicycle (bike rack) parking spaces for short-term parking. The proposed bicycle parking exceeds minimum City requirements by 77 spaces (Fehr & Peers 2023). The project proposes two bike parking rooms; one is west of the porte cochere (i.e., covered vehicle pickup and drop-off area) across from the lobby entrance, and the other one is inside the garage adjacent to the loading zone.

The project would include 12 foot sidewalks on the east side of Front Street and an 8 foot sidewalk north side of Laurel Street to allow sufficient width for pedestrians. The proposed Maple Street Alley would provide a shared-use, accessible pedestrian and bicycle path north of project site, as further described below, which would serve the project and also provide public access to the Santa Cruz Riverwalk.

Proposed Landscaping. The project provides outdoor landscaping on the project site and on the adjacent Maple Alley and landward side of the San Lorenzo River levee adjacent to the Santa Cruz Riverwalk. The project plans show approximately 4,300 square feet of non-building area on the project site that would be landscaped and improved with public facilities and approximately 6,300 square feet of landscaping adjacent to the Santa Cruz Riverwalk. Figure 3 shows the proposed landscape plan for the project, including landscaping for the project site, the adjacent Maple Alley, and the adjacent area of levee fill and improvements. The project includes removal of 11 heritage trees on the adjacent streets and on the landward side of the San Lorenzo River levee for placement of fill as described in Section II.B below. The landscape plan indicates that eight existing trees would be retained to include two existing street trees and six existing trees on the landward side of the San Lorenzo River levee. The proposed plan shows the planting of 28 new trees, including eight new street trees and the remainder on the landward side of the river levee, along Maple Alley, and adjacent to the hotel on the south with planting of primarily oak tree species, and species similar to existing London plane street trees for the new street trees.

Proposed Public Amenities. The proposed project includes improvements on the landward side of the west San Lorenzo River levee adjacent to the Santa Cruz Riverwalk as described below and improvement of City-owned property to create a new pedestrian access. The project includes construction and maintenance of an approximately 50-foot wide public paseo on a contiguous parcel (APN 005-151-34) adjacent to and north of the proposed hotel, which would continue to be owned by the City of Santa Cruz. Known as Maple Alley, the new accessway would provide a direct pedestrian and bike connection between downtown and the Riverwalk. The Maple Alley Plaza shown at the entrance on Front Street would be a landscaped public area with amphitheater seating to provide space for planned and improvised gatherings, performances and everyday respite adjacent to hotel retail. The plaza is connected to the Riverwalk via an accessible pathway and stairs through a sloped landscaped terrace. At its connection with the Riverwalk, the path widens to provide bike parking and a sculptural seating element with views of the river. Bicycle circulation along the Riverwalk and Laurel Street will be served by a bike parking area at the Laurel Street Bridge.

Utilities. The project would connect to existing City water, storm drain, and sanitary sewer infrastructure. Stormwater would be controlled onsite through various measures including two bioretention areas.

Demolition and Construction

Construction is estimated to occur over approximately 32 months, with an estimated construction start date in October 2024. Construction of the proposed project would include demolition of the existing building and parking areas. above. Demolition would result in removal of approximately 1,200 tons of material and is estimated to be completed in approximately one month. Grading activities would result in excavation of approximately 37,850 cubic yards of soil for the proposed hotel. Grading is estimated to take approximately three weeks.

B. San Lorenzo Levee / Santa Cruz Riverwalk Improvements

The proposed project includes placement of fill on the west levee slope along San Lorenzo River levee east of and adjacent to the eastern boundary of the building site. The fill would result in creation of an elevation that transitions between the existing Santa Cruz Riverwalk and the proposed building as required by the City's *Downtown Plan*. The area of fill occurs along approximately 335 linear feet of the landward side of the levee within an approximate

12,000-square-foot area. The filled area would be used to provide public open space adjacent to the Riverwalk as part of the proposed project, including outdoor restaurant and bar lounge seating. Figure 3 shows the proposed landscape plan for the project, including proposed improvements along the landward side of the river levee. As previously indicated, the placement of fill also requires approval of a Section 408 Letter of Permission by the USACE.

The proposed levee fill would result in the creation of a widened promenade adjacent to the existing Santa Cruz Riverwalk on top of the levee and is proposed in accordance and consistent with requirements in the *City of Santa Cruz Downtown Plan* to create a Riverwalk Promenade. The Riverwalk is an important component of the revitalization goals of the *Downtown Plan* that was amended by the City Council in November 2017. According to the *Downtown Plan*, the interface between the public Riverwalk and adjacent private development is a vitally important element of the *Downtown Plan*. The Plan directs that all development shall fill the western slope of the levee (which may include both public and private property) as directed by the City of Santa Cruz and USACE to create a level condition between the Riverwalk and future buildings. The *Downtown Plan* makes this public objective a mandatory design feature for new development. The Front Street/Riverfront Corridor Development Standards and Design Guidelines section of the *Downtown Plan* recognizes that trees planted on the levee as part of the San Lorenzo Flood Control Improvement Project should be maintained and incorporated into new development where feasible and where not in conflict with the required fill or publicly accessible amenities, and thus the Plan anticipated that trees may need to be removed to meet this objective.

III. Reasons Why Project is Exempt

CEQA provides “categorical exemptions” that are applicable to categories of projects and activities that the California Natural Resources Agency has determined generally do not pose a risk of significant impacts on the environment. The Class 32 categorical exemption is for “infill development” projects that meet the following criteria:

- (a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;
- (b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses;
- (c) The project site has no value as habitat for endangered, rare or threatened species;
- (d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and
- (e) The site can be adequately served by all required utilities and public services.

The proposed project meets all of the foregoing criteria to claim the application of the infill exemption, as explained below.

A. Consistency with General Plan and Zoning Designations, Policies, and Regulations

The project is consistent with the City’s *General Plan 2030* land use designations, the Central Business District (CBD) zone district permitted land uses, and all applicable General Plan policies and zoning regulations and development standards as explained below.

General Plan Designations and Policies

The building site is designated Regional Visitor Commercial (RVC) in the City's *General Plan 2030*. The RVC designation is applied to areas that "emphasize a variety of commercial uses that serve Santa Cruz residents as well as visitors. In the downtown area, the RVC designation specifically "emphasizes a mix of regional office and retail uses, residential and mixed-use developments, restaurants, and visitor attractions such as entertainment venues. The designation also indicates that *Downtown Recovery Plan*⁴ provides detailed requirements for this area." Furthermore, the General Plan allows a floor area ratio (FAR) range of 0.25 to 5.0 for parcels that are designated RVC and are located in the downtown area.

The proposed project would result in construction of a commercial use, a new hotel, as well as provide enhanced public amenities to and along the San Lorenzo River. The proposed project use is consistent with the General Plan land use designation that includes commercial uses to serve visitors. The project's FAR is 4.77, which is within the allowed FAR (5.0) established in the General Plan for the downtown area.

The area between the proposed project site and the Santa Cruz Riverwalk that is proposed to be filled and landscaped with outdoor amenities has a General Plan designation of Natural Areas (NA). This designation provides for "land that should remain in an undeveloped state in order to protect vegetation or wildlife habitat, ensure public safety, or provide for public recreation." The designation further states that public recreation uses are considered on a case-by-case basis. While the designation allows a public recreation use on a case-by-case basis with approval by the Planning Commission, it should also be noted that that the *Downtown Plan* and the *San Lorenzo Urban River Plan* requires such a use to be developed in this location as described below. The proposal creates a publicly accessible outdoor extension area connecting the development to the Riverwalk in this area consistent with the land use designation. As indicated above, the *Downtown Plan* anticipated that it may not be feasible to retain trees on the levee where retention would be in conflict with the required fill or publicly accessible amenities required by the Plan.

The proposed project also is consistent with the policies of the *General Plan 2030* based on City review, as explained in the February 15, 2024 Planning Commission staff report. The consistency review is included in Attachment A of this memo.

Zone District Permitted Uses and Development Regulations

The project site is zoned CBD (Central Business District), CZ-O (Coastal Zone Overlay), SP-O (Shoreline Protection Overlay), F-P (Floodplain), and FP-O (Floodplain Overlay). Pursuant to Municipal Code section 24.10.2300, the purpose of the CBD zone district is to implement the Land Use Plan, Development Standards,

⁴ The Downtown Recovery Plan (DRP) is now called the *Downtown Plan* and is referred to as such in this document. The DRP was adopted in 1991 to guide reconstruction after the 1989 Loma Prieta earthquake and provides development standards and guidelines to direct the rebuilding and recovery process. The DRP was adopted as a specific plan (pursuant to California Government Code requirements) to implement policies in the downtown area. Chapter 4 of the *Downtown Plan*, Development Standards and Design Guidelines, is incorporated by reference in Part 24 of the Zoning Code, the Central Business District (CBD), and the CBD district is part of the Local Coastal Program (LCP) implementation regulations. The DRP has been modified several times over the past 25 years with significant amendments adopted in 2017. The amendments approved in 2017 included changing the name of the Plan to "*Downtown Plan*" since post-earthquake recovery had been achieved and also included revisions to development standards, including provisions for additional height allowances under specified circumstances in the downtown area.

and Design Guidelines of the *Downtown Plan*, a specific plan. It is intended to refine the *Downtown Plan* in the area of land use and regulations. It supports the purpose of the *Downtown Plan*, in the context of the *General Plan 2030*, which aims to maintain downtown as the urban center of the city with the many functions a city center serves. Pursuant to section 24.10.2301, Chapter 4 of the *Downtown Plan*, as amended, is adopted by reference in the CBD zone. The policies and regulations set forth in Chapter 4 of the *Downtown Plan* shall control all uses in the CBD and its four subdistricts: Pacific Avenue Retail District; Front Street Riverfront Corridor; Cedar Street Village Corridor; and North Pacific Area.

The project site is located within the Front Street/Riverfront Corridor in the *Downtown Plan*. According to the *Downtown Plan*, as recently amended by the City in October 2023 and approved as an LCP amendment by the California Coastal Commission in December 2023⁵, the Front Street/Riverfront Corridor is intended to allow and encourage “ground-level commercial uses, including destination retail uses, personal service, financial, and office-related uses, are permitted uses along the street.” Permitted upper-level uses include office and residential, as well as river-oriented commercial and visitor-serving uses connecting to the Riverwalk. The *Downtown Plan* indicates that this mix of uses “serves to reinforce the downtown as a place to live, shop, work, and visit, as well as enhances the pedestrian environment and feeling of security along the river.” The *Downtown Plan* requires at least 60 percent of the square footage within mixed-use projects in this area (not including parking) be devoted to housing, except projects where the primary use is visitor serving are not subject to this provision (City of Santa Cruz 2023a).

The recent 2023 amendments to the *Downtown Plan* provide clarification that housing is not required in order to be eligible for increased height in the Additional Height Zone B (properties on the east side of Front Street between Soquel Avenue and Laurel Street). However, it is noted that hotel and motel uses have always been identified as permitted uses in the CBD zone district for upper floor permitted uses. The amendments eliminated the requirement to provide housing for hotel or office projects that exceed 50 feet in height, which would be more consistent with City General Plan and Local Coastal Program (LCP) policies that encourage visitor-serving uses in the downtown and specifically within the coastal zones as visitor-serving uses are a priority use in the coastal zone.

The proposed project is consistent with the allowed uses outlined in Table 4-1 of the *Downtown Plan* and with the overarching objectives of the Plan, Hotels are allowed as principally permitted uses along the east side of Front Street, although no hotel rooms are allowed along the ground floor or along the Riverfront level frontages.

The proposed building height exceeds 50-foot height limits in the Plan. However, the project site is located within “Additional Height Zone B,” which allows building heights to 70 feet with specified development standards. The project applicant is requesting additional height for the building from 50 to 70 feet as may be allowed in the *Downtown Plan*. The maximum height of buildings within the Front Street/Riverfront Corridor of the *Downtown Plan* is 70 feet. The proposed hotel would be 70 feet tall, consistent with the additional allowable

⁵ On October 24, 2023 the City Council adopted a series of minor amendments to the *Downtown Plan* that generally consisted of: administrative changes that clarify decision-making processes; clarifications that housing is not required in order to be eligible for increased height in the downtown area’s Additional Height Zone B (properties on the east side of Front Street between Soquel Avenue and Laurel Street); a minor change that would allow limited increases in height to accommodate certain rooftop elements; and updates to permitted tree species. The amendments were approved with minor wording changes as a LCP amendment by the California Coastal Commission at a public hearing on December 15, 2023. These changes were approved by the City Council on January 23, 2024, and were acknowledged by the Coastal Commission at their February 7-9, 2024 hearings, at which time the amendments became effective.

height. A rooftop mechanical equipment penthouse would extend to a height of 75 feet that is permitted by City regulations. A rooftop bar structure is proposed, which exceeds 70 feet. However, the *Downtown Plan*, as recently amended, indicates that uninhabitable rooftop amenity structures will be permitted to extend 15 feet above the approved additional height of building, provided that such structures are set back a minimum of 15 feet. The proposed building plans comply with this setback and maximum additional height requirement for rooftop mechanical equipment and uninhabitable rooftop amenity structures.

The granting of additional height is discretionary and requires a Design Permit with the recommendation of the Planning Commission to the City Council, which must approve the additional height. It also is noted that the *Downtown Plan* indicates that projects that closely conform to the development standards, but with slight variations may be considered upon demonstration that the resulting project will better achieve stated Plan and community objectives. Such variations shall be minor in nature and must receive a positive recommendation from the Planning Director, with final approval by the City Council (section J.1).

The project is consistent with all the CBD zone district requirements and *Downtown Plan* development standards on City review, as explained in the February 15, 2024 Planning Commission staff report. The consistency review is included in Attachment A of this memo. The setback requirement for upper levels (stepbacks) within the Front Street/Riverfront Corridor of the *Downtown Plan* is at the base height of 50 feet of building height as measured from the Front Street grade. The project plans note that at least 75 percent of building frontage along the Riverwalk has 10-foot stepbacks above 50 feet, consistent with requirements in the *Downtown Plan*. Additionally, the proposed rooftop amenities are consistent with the *Downtown Plan* as recently amended by the City and approved by the California Coastal Commission, in that usable outdoor space and amenities are provided, including pools and bar, and which do not extend more than 15 feet above the maximum allowable height, are set back at least 15 feet from the edge of the roof, and structures above the height limit are less than 50 percent of the gross rooftop area.

The proposed project requires a Coastal Permit because it is located within the CZ-O district. The proposed project is consistent with LCP policies based on City review explained in the February 15, 2024 Planning Commission staff report.

The southern portion of the site also is zoned SP-O. The purpose of the SP-O district is to preserve and protect the coastal and environmental resources in the City of Santa Cruz, and as indicated in section 24,10.2400 of the Municipal Code, this district lies generally between the sea and the first public road paralleling the sea, or within three hundred (300) feet of the mean high tide line of the sea, whichever is the greater distance. While a portion of the site is zoned SP-O, the project is not located adjacent to the coast or between the sea and the first public road. Before approving a coastal permit in the SP-O district, the hearing body must make findings set forth in section 24,10.2430. These findings have been made based on City review as explained in the February 15, 2024 Planning Commission staff report.

A portion of the project site also is zoned FP-O; new construction within the FP-O zone is subject to regulations in Part 4 of Chapter 24.14 of the City's Municipal Code. The purpose of this overlay zone is to minimize public and private losses due to flood conditions in flood hazard areas through regulations. The site is in Federal Emergency Management Agency (FEMA) Flood Zone A99, which is an area with a one-percent annual chance of flooding that will be protected by a federal flood control system where construction has reached specified legal requirements. The City of Santa Cruz has worked to improve the flood capacity of the San Lorenzo River

levees over the past twenty years. In 2002, FEMA re-designated much of the downtown and beach area from A-11 to the A-99 Flood Zone designation in recognition of the significant flood improvements resulting from the San Lorenzo River Flood Control and Environmental Restoration Project. As reported in the General Plan 2030 EIR, the project increased the height of the river levees and rehabilitated the three downtown bridges (over the San Lorenzo River) to increase flood flow capacity. Under the A-99 designation, new buildings and improvements are not mandated to meet FEMA flood construction requirements and are exempt from the floodplain management requirements of Zoning Ordinance Chapter 24.14, Part 4. Furthermore, according to the *Downtown Plan*, new development projects constructed along this portion of the FEMA floodplain shall be designed to create a positive connection with the San Lorenzo Riverwalk. The FEMA guidelines define construction treatments for various uses within the floodplain (City of Santa Cruz 2020b).

The adjacent San Lorenzo River levee area that is proposed to be filled and developed with public amenities is zoned F-P. This area is proposed to be improved with the public extension area connecting the development to the Riverwalk. The F-P zone district allows a public recreation use with approval of a Special Use Permit and Design Permit. The project is consistent with the findings for these permits and with the development standards of the F-P zone district, which includes requirements that the project provide a plan for the proposed fill and that an environmental assessment is completed to minimize hazards to public health and safety.

B. Project Site Size and Surroundings

The approximate 1.1-acre site, which includes offsite improvements (the area of fill placement on the landward side of the adjacent San Lorenzo River levee and improvements along Maple Alley), is entirely located within City of Santa Cruz limits and is less than five acres in size. The project site is surrounded by developed urban commercial uses on the north, west, and south. The project is bordered by the Santa Cruz Riverwalk and San Lorenzo River on the east; urban commercial and residential developments exist to the east of the river. Thus, the project site is substantially surrounded by urban uses.

CEQA does not provide a definition of “urban uses” that must be found to substantially surround a project in order to qualify for the exemption in CEQA Guidelines section 15332. However, the project site is within the downtown area of the City, and both the downtown and the City are characteristic of a densely populated area. In addition, the CEQA Guidelines section 15194, which addresses an exemption for affordable housing, includes a requirement that the project be located within an “urbanized area or within a census-defined place with a population density of at least 5,000 persons per square mile.” Although the proposed project does not meet other requirements for use of the affordable housing exemption in section 15194, and therefore the City has not claimed that exemption is applicable to the proposed project, it is noted that the City’s 12.7 square miles supports a population of 5,045 persons per square mile, which is consistent with the definition of urban area presented in this section of the CEQA Guidelines. CEQA Guidelines section 15387 also defines “urbanized area” as a city or group of contiguous cities with a population of 50,000 or more and having a population density of at least 1,000 persons per square mile, and the City also meets this definition. Therefore, the proposed development occurs within City limits on a project site of no more than 5 acres and is substantially surrounded by urban uses.

C. Project Site Habitat Value

The project site is developed with one commercial building and two paved surface parking lots. There are no existing trees or open space areas on the project site. There are adjacent planted ornamental street trees and trees that

were planted on the landward slopes of the adjacent San Lorenzo River levee. The project site is not located within mapped areas of potential sensitive habitat as depicted in the City's General Plan on maps developed for the City's *General Plan 2030* and included in the General Plan EIR, but is adjacent to sensitive riparian habitat along the San Lorenzo River that is adjacent to the San Lorenzo River between the existing levees (City of Santa Cruz 2012a, DEIR Figure 4.8-3). The proposed project complies and exceeds the riparian setback established in the *City-wide Creeks and Wetlands Management Plan* that is intended to protect sensitive resources from indirect impacts that may result from adjacent development as further explained in Section IV.C below. Therefore, the project site does not provide habitat for rare, threatened, or endangered species.

It is noted that 11 heritage trees would be removed, but given the review of potential threatened or endangered species, tree removal would not affect habitat for special-status species. The potential for disturbance to nesting birds protected under state and federal regulations is discussed below in Section IV.C.

D. Significant Effects Relating to Traffic, Noise, Air Quality, or Water Quality

Traffic

Vehicle Miles Traveled. In December 2018, the California Natural Resources Agency certified and adopted an update to the CEQA Guidelines, including the new CEQA Guidelines section implementing Senate Bill (SB) 743. SB 743 and the CEQA Guidelines state that level of service (LOS) (i.e., congestion) will no longer be considered to be an environmental impact under CEQA and that vehicle miles traveled (VMT) is the most appropriate measure of transportation impact. Cities were required to adopt new thresholds and/or procedures related to VMT by July 2020.

In accordance with the amended CEQA Guidelines, the City has transitioned from intersection LOS formerly used for traffic impact analyses to VMT as the metric for determining potentially significant impacts. The City adopted a VMT transportation threshold on June 9, 2020 in accordance with CEQA and state requirements, as follows, as revised in the SB 743 Implementation Guidelines updated in 2022:

- Residential Projects: 15% below the county-wide per capita average VMT
- Office and Other Employment Projects: 15% below the county-wide average work VMT per employee
- Retail: no net regional change in the total VMT
- Other Customer: no net regional change in VMT.

The City's SB 743 Implementation Guidelines (City of Santa Cruz 2022a), which model the California Office of Planning and Research (OPR) advisory guidelines (2018) establish a process to determine whether a land use project is within the VMT threshold. The process includes a screening process in which situations are identified under which projects are determined to not have a significant impact and further VMT analysis is not required. Projects, or portions of a project, that meet the screening criteria do not require a CEQA transportation analysis, and such projects, or portions of a project, are considered to result in a non-significant CEQA transportation impact based on their project location and characteristics.

According to the City's VMT Guidelines, projects that would not be expected to result in a significant VMT impact and that are screened out from further transportation impact review include:

- Small projects that generate fewer than 110 trips per day;

- Projects near high-quality transit: within one-half mile of a major transit stop or a high-quality transit corridor with a combined service interval frequency of 15 minutes or less during the AM and PM peak hours⁶;
- Local-serving retail (less than 50,000 square feet) projects;
- Projects with a high percentage of affordable housing is provided as determined by the City of Santa Cruz;
- Local essential services, which includes daycare centers and libraries;
- Map-based screening; and
- Redevelopment projects that do not result in a net increase in VMT.

The proposed project does not meet any of the above screening criteria, except it is a project near high-quality transit as it is located less than one-half mile of a high-quality transit stop as defined by California Public Resources Code section 21064. The project site is approximately 300 feet or less than one-quarter mile south of a major transit stop – the Santa Cruz Metro Center, also known as Pacific Station. However, the City’s VMT Guidelines include a footnote (2) for projects near high-quality transit that references OPR’s Guidelines, page 13, which clarifies that screening for proximity to transit is only intended for certain uses, stating:

“Proposed CEQA Guideline Section 15064.3, subdivision (b)(1), states that lead agencies generally should presume that certain projects (including residential, retail, and office projects, as well as projects that are a mix of these uses) proposed within ½ mile of an existing major transit stop or an existing stop along a high quality transit corridor will have a less-than-significant impact on VMT. This presumption would not apply, however, if project-specific or location-specific information indicates that the project will still generate significant levels of VMT.” (California Office of Planning and Research 2018).

The transportation study prepared for the project indicates that given the project’s location within one-half mile of a major transit stop, the project is in a VMT-efficient location and is presumed to have a less-than-significant VMT impact. However, as explained above, it appears that the intent of OPR’s and the City’s respective Guidelines in application of this criterion was to specified types of land uses and development projects, and the proposed hotel use is not one of the referenced project types that could be screened out under this criterion.

However, the project transportation study reviewed the proposed hotel as an “other use” to determine project VMT impacts. The study found that for purposes of a VMT analysis, hotels are generally grouped into two categories: (1) “typical” hotels and (2) “destination/resort” hotels. Hotels in the “typical” category are primarily designed to serve guests who need a place to sleep since the hotel is not the ultimate purpose of their trip, which is instead related to work, family visits, recreation, etc. Destination/resort hotels, on the other hand, accommodate guests who desire to spend most of their time on the hotel property to utilize the hotel’s unique amenities (e.g., resort hotels with golf courses, hotels located in areas that are not proximate to other typical travel destinations related to work, family visits, etc.) (Fehr & Peers 2023).

Typical hotels (irrespective of proximity to transit) can be assumed to result in a less-than-significant impact since the trips would occur in the absence of the hotel. In other words, guests of a typical hotel enter the region

⁶ The CEQA Guidelines indicate that, generally, projects within one-half mile of either an existing major transit stop or a stop along an existing high quality transit corridor should be presumed to cause a less-than-significant transportation impact.

and utilize the hotel as a base to do other activities or as a stop on the way to other destinations. Therefore, the typical hotel is not the attraction. In a VMT context, typical hotels are therefore analogous to retail uses. A customer's decision to stay in a typical hotel is primarily about convenience and proximity to their actual destination in order to reduce trip lengths and travel time. For these reasons, typical hotels are presumed to reduce trip lengths (Fehr & Peers 2023).

The transportation study also indicates that the average occupancy at hotels in the Santa Cruz/Aptos/Monterey area in 2022 was 66.9 percent. Therefore, on an annual basis, the demand for hotel rooms does not exceed the supply of available hotel rooms in the area. The proposed hotel will add more hotel rooms to an already sufficient supply, and in a location that is adjacent to transit and a variety of visitor destinations related to work, family visits (e.g., for family members of UCSC students), and general recreation. While the project increases the number of hotel rooms in the area for existing travelers, the project itself does not contain unique features that would attract new travelers to the City of Santa Cruz (i.e., travelers who would not be coming to Santa Cruz and staying in other hotels or Airbnb/Vacation Rentals By Owner (VRBO) properties, but for particular attractors in the hotel itself). Given that the hotel is not a destination/resort hotel and is located in near the Santa Cruz Metro Center, most guest trips would be shifted trips (replacing existing traveler trips to other nearby hotels or accommodations) (Fehr & Peers 2023).

Further review by Dudek transportation planners as part of this CEQA review found that similar to local-serving retail stores, typical hotels, such as the proposed project, most often serve pre-existing needs (i.e., the hotel does not generate new trips because it meets existing demand) because their guests are staying at the hotel not because of the amenities offered by the hotel, but because of the area where the hotel is located. Typical hotels most often can be presumed to redistribute trips and reduce trip lengths when a new hotel is introduced among other existing hotels located near a local destination or attraction. There are several similar hotels within a one-half mile of the project site, and as indicated in the project transportation study prepared by Fehr & Peers, the average occupancy at hotels in Santa Cruz/Aptos/Monterey area was only 66.9 percent. Therefore, the hotel's customer base would likely be existing travelers to the area, and the proposed hotel would not induce new demand. Thus, the impact to the regional VMT would be negligible or redistributed by the introduction of a new hotel to an area where people are already traveling and planning on staying unless the hotel significantly affects the local supply of rooms or introduces a significant new attraction, neither of which would occur with the proposed hotel project. In addition, as further explained below, the proposed project is located in proximity to pedestrian, bicycle, and transit facilities, which could be used for some of the project's daily trips, including the adjacent Santa Cruz Riverwalk, a multi-use path that connects downtown to the beach area,

Some of the trips and VMT generated by the employees and vendors at the project site would replace the existing employee and customer trips and VMT to the credit union located on the project site which would be demolished. The project's employee or work VMT would be equivalent to VMT generated by typical office employees and would be presumed to be less than significant because of the project's proximity to a major transit stop.

Therefore, it is concluded that the VMT generated by project employees or visitors/customers would not result in a change or net increase in regional VMT, and therefore, does not exceed the City of Santa Cruz adopted VMT threshold of significance for the "all other land uses" category. Thus, the transportation study concluded that the project would have a less-than-significant VMT impact based on available evidence and, therefore, would not conflict or be inconsistent with CEQA Guidelines Section 15064.3, subdivision (b). VMT impacts resulting

from the project were found to be less than significant (Fehr & Peers 2023), which was confirmed by the additional review conducted as part of this memo. Furthermore, the proposed project includes provision of bicycle parking storage lockers in excess of City requirements (77 spaces in excess of City requirements), which could further reduce VMT by one percent (City of Santa Cruz 2022). Additionally, the City offers the following services to any employee working within the Downtown Parking District, which serve to reduce vehicle trips and VMT:

- Free transit passes that are good for all local service with unlimited rides
- Free bike locker credit
- Free Bicycle Bike Share credit for 2 free months
- Guaranteed ride home
- Commute information and carpool ride matching
- Bike safety training offered monthly
- [E-bike Rebates](#)

Other Transportation Impacts. The City did not identify any other significant transportation-related effects resulting from the proposed project, including conflicts with transportation policies. The proposed project is located in proximity to pedestrian, bicycle, and transit facilities, which could be used for some of the project's daily trips, including the adjacent Santa Cruz Riverwalk, a multi-use path, along the San Lorenzo River levee that connects to the Santa Cruz Beach Boardwalk and the City's Main beach.

The project site is located in proximity (less than one-quarter mile) to bus stops and the Santa Cruz Metro Center, thus facilitating transit use for employees. The project is located approximately 300 feet from the Santa Cruz Metro Center at Elm Street and Pacific Avenue, which serves as a transit hub for Metro buses that connect throughout Santa Cruz County and the Amtrak Highway 17 Express bus which connects to downtown San Jose. The Santa Cruz Metro Center is also serviced by Greyhound Bus that provides connections across the country (Fehr & Peers 2023). Locally, the City operates a seasonal electric trolley that provides service from the downtown area to the beach area between Memorial Day and Labor Day.

The project includes frontage and sidewalk improvements as well as 124 bicycle parking spaces. As indicated above, proposed bicycle parking exceeds City requirements by 77 spaces, the majority of which (73) would be for Class I bike storage spaces, which would facilitate and enhance pedestrian and bicycle travel. The City also plans bicycle improvements along Front Street between Laurel Street and Soquel Avenue, including adding bike boxes to the westbound approach of the Front Street/Laurel Street and the Front Street/Soquel Avenue intersections and southbound Class II bikeways along Front Street (Fehr & Peers 2023). The *General Plan 2030* includes goals, policies, and actions that set forth comprehensive measures to reduce vehicle trips, increase vehicle occupancy, encourage use of alternative transportation modes, and promote alternative-sustainable land use patterns, all of which would help reduce vehicle trips, and avoid and minimize adverse impacts related to traffic. Thus, the project is consistent with *General Plan 2030* policies that promote non-automobile transportation.

The *General Plan 2030* strives to maintain the established LOS D or better at signalized intersections (M3.1.3). Level of service is typically used to evaluate traffic operations, in which operating conditions range from LOS "A" (free-flowing) to LOS "F" (forced-flow). The *General Plan 2030* also accepts a lower LOS and higher congestion at major regional intersections if necessary improvements would be prohibitively costly or result in

significant, unacceptable environmental impacts (M3.1.4). Although LOS is no longer used as metric for determining significance of transportation impacts under CEQA, a traffic impact study was prepared for the project in accordance with City requirements. The study found that all study intersections would operate at an acceptable LOS established in *General Plan 2030* policies during both AM and PM peak hours under “existing plus project” conditions (Fehr & Peers 2023), and thus, the project would not result in traffic levels which would conflict with City LOS policies.

Noise

Permanent Noise Increases. The proposed project would not result in a substantial increase in permanent noise levels. Potential sources of permanent noise resulting from the proposed project include outdoor activities at the hotel’s rooftop terrace, mechanical equipment and indirect noise levels from traffic generated by the project, all of which are further assessed below.

The proposed hotel land use would not be associated with activities that would typically generate substantial permanent increases in ambient noise levels as the hotel uses and ancillary banquet and meeting rooms are within the building. There could be some increased exterior noise generated by use of the rooftop pool area, which would be similar to other outdoor recreational activities and would not substantially increase ambient levels. An assessment of potential project noise level increases included review of the rooftop deck, and found that noise levels at the pool deck could achieve a sound level of Ldn 65 dBA (A-weighted decibels) provided a 2.5-foot tall parapet and railing be provided along the Front Street and Laurel Street facades (Salter 2022), which is included as a project condition of approval.

A supplemental noise assessment further evaluated potential noise impacts from operational activities on sensitive receptors within 500 feet of the project boundary. Sensitive receptors are residential and hotel land uses because these are places where people will normally sleep. Noise levels were estimated at the nearest sensitive receptors on Front Street and Pacific Avenue as noise levels at other locations would be lower due to increased distance attenuation. The project’s proposed rooftop terrace includes outdoor common spaces for hotel guest use only and would not be open to the public. The noise assessment found that hotel guest activity noise in these common areas is not expected to substantially contribute to the total noise environment at the nearest sensitive receptors. Based on a maximum capacity of 285 people for the rooftop terrace, and conservatively assuming that only one of every three occupants would be actively talking simultaneously (95 people), the average crowd noise level on the roof is estimated to be approximately 65 dBA. Considering that the center of the occupied roof is located 115 feet away from the residential property located west, the crowd noise level experienced at the neighboring property is estimated to be approximately 38 dBA, which meets the conservatively assumed noise limit of 45 dBA (SM&W 2024). It is also noted that the terrace hours would be limited by the hotel, and the hotel operators would need to manage hotel uses to ensure compliance with City regulations, including Municipal Code section 9.36.010 that prohibits offensive noise between the hours of 10 PM and 8 AM and section 9.36.020 that prohibits unreasonably disturbing noises.

The supplemental noise assessment also considered noise from outdoor TV displays (and associated loudspeakers) on the rooftop terrace, which may vary in loudness, and would be temporary and intermittent. However, the assessment found that loudspeaker noise would not be expected to be elevated above raised conversation levels at any given time in order to preserve speech intelligibility of rooftop conversations and avoid disrupting hotel guests. The assessment found that noise levels of loudspeakers are in the range between

60 to 65 dBA when three feet from the speaker. Therefore, noise levels from this equipment would be similar to crowd noise and would not exceed the noise limit of 45 dBA at the neighboring properties (SM&W 2024). It is also noted that the area in the vicinity of the project is expected to become more vibrant due to recently approved and foreseeable future development in accordance with the City's Downtown Plan. As a result, it is likely that there will be more foot traffic for shopping, new commercial businesses will open, and more general activity will be introduced in the project area (SM&W 2024).

Mechanical equipment would be within an enclosed mechanical and electrical rooms on the first floor with a screened rooftop mechanical equipment penthouse that would be set back approximately 40 feet from the edge of the building. Municipal Code Section 9.36.010 prohibits offensive noise between the hours of 10 PM and 8 AM, and Section 9.36.020 prohibits unreasonably disturbing noises. Furthermore, Section 24.14.260 prohibits increases of sound levels above six dBA above the local ambient noise level on a commercial property, including noise produced by any machine or device or combination. This section of the Municipal Code also indicates that more stringent noise limits may be established for specific uses through the conditions of a use permit. These regulations are intended to prevent substantial increases in ambient noise levels, and the proposed project would be subject to compliance. Furthermore, *General Plan 2030* policies and actions require "land uses to operate at noise levels that do not significantly increase surrounding ambient noise" (HZ3.1.1) and to "use site planning and design approaches to minimize noise impacts from new development on surrounding land uses" (HZ3.1.2). A mixed-use residential-commercial project that consists primarily of residential units is nearing completion of construction on Front Street across from the proposed hotel project, which would be considered sensitive noise receptors. However, with compliance with City policies and regulations, operations associated with the proposed hotel project would not result in substantial increases in ambient noise. A standard COA requires review of mechanical equipment at the building permit plan check when specific equipment has been identified to ensure compliance with City requirements.

The project would result in an increase in net vehicle trips over existing conditions, resulting in an approximately four percent increase. The project would result in a traffic increase over existing conditions (approximately 1,740 daily and 80-95 peak hour trips (Fehr & Peers 2023)). However, this amount of increased trips would not be of a magnitude to affect ambient noise levels or result in a substantial increase in ambient noise levels. Based upon existing and project trips, noise level calculations by Dudek staff indicate that there would be a negligible increase in noise of approximately 0.17 decibels, which would not be perceptible.

Therefore, based on the project noise study and supplemental noise assessment and reviews, the proposed project would not result in substantial increases in permanent noise levels or a significant impact.

Temporary Noise Increases. There would be a temporary increase in existing noise levels during project grading and construction. Noise levels resulting from construction would depend on the noise generated by various pieces of construction equipment, the timing and duration of noise-generating activities, and the distance between construction noise sources and noise-sensitive receptors, as well as existing ambient noise levels. Noise generated during construction would vary throughout the construction period and on any given day, depending on the construction phase and the type and amount of equipment used at the construction site. The highest noise levels would be generated during grading of the site, with lower noise levels occurring during building construction and finishing. However, construction sound levels would be intermittent and varied through a single day as well as throughout the duration of project construction, and construction noise levels would decrease with distance from the construction site. As indicated above, there are sensitive receptors near

the project site, including a nearly completed residential apartment project to the west of the project site, whose residents would be considered sensitive noise receptors. However, overall, construction noise levels would be temporary and short-term, and would fluctuate throughout the construction period with the construction activities producing higher noise levels occurring earlier in the construction phase. Therefore, construction noise would not result in substantial increases in temporary noise levels or result in a significant impact to sensitive receptors.

A supplemental noise assessment further evaluated potential noise impacts from construction. Anticipated construction noise levels were estimated using industry standard methodology from the Federal Highway Administration (FHWA) Roadway Construction Noise Model (RCNM) computer software. The City does not have regulations or thresholds regarding construction noise levels. Therefore, the assessment used commonly accepted Federal Transit Administration (FTA) criteria of 90 dBA for residential uses and 100 dBA for commercial uses as limits of construction noise levels. The assessment found that none of the construction phases would exceed the FTA criteria of 90 dBA. The closest noise sensitive receptor with the most restrictive noise limit is the mixed-use development located west of the project site, which would meet the 90 dBA noise limit. The assessment also noted that the analysis was based on equipment operating simultaneously at the nearest property line, which is considered very conservative as construction noise would be lower as equipment moves around the site and operates on an “as needed” basis. Since the conservative residential construction noise limit would be met, the commercial limit of 100 dBA also would be met (SM&W 2024).

The supplemental noise assessment noted that the area surrounding the proposed project is currently experiencing noise from construction at multiple nearby sites, including the site across Front Street. The project would not require unusually loud construction methods, i.e., pile driving, and noise levels are anticipated to be similar to what is already experienced in the area from the current construction projects. Furthermore, the nearest residential receiver is the new mixed-use development on Front Street immediately west of the proposed hotel project. The City required noise insulation features such as sound-rated windows and façade elements to reduce exterior to interior noise transmission, consistent with the General Plan and state regulations for interior sound levels for residential uses. As a result, the building is better equipped to reduce construction noise more effectively than older structures with only single pane windows and poor acoustic seals, further reducing the temporary effects associated with construction noise (SM&W 2024).

While the supplemental noise assessment concluded that noise from construction would meet the guidelines published by the FTA, the project proposes standard best management practices (BMPs) to manage noise from construction activities in accordance with directives in the City’s General Plan 2030 Policy HZ3.1.3 (SM&W 2024). These BMPs also will be required by the City as a project condition of approval.

The proposed hotel use would not result in generation of or exposure to vibration as this type of use is not known to have activities that would generation sources of vibration. Standard construction activities and equipment would not generate excessive groundborne vibration. However, the project geotechnical report recommends use of ground improvement method for structural support. One of the suggested methods is installation of vibroreplacement stone columns (VSCs), which would be constructed by advancing a vibrating probe into the ground, laterally displacing and densifying the surrounding soil, and then incrementally backfilling and compacting crushed rock using a bottom feed system through the tip of the probe. If a vibratory ground improvement system, such as VSCs, is selected for the project, vibrations associated with the installation may pose issues for nearby improvements, such as the commercial building north of the site. Thus,

the geotechnical report recommends vibration data be provided by the ground improvement contractor prior to construction so that potential impacts to these structures can be evaluated, and that continuous vibration monitoring should be performed during installation of the VSCs to make sure structural vibration criteria is not exceeded (Rockridge Geotechnical 2020), which is included as a project COA. The other two recommended methods, soil-cement mix (SMX) columns or drilled-displacement sand-cement (DDSC) columns, were not found to result in low vibration. DDSC columns are installed by advancing a hollow-stem auger that mostly displaces the soil and then pumping a sand-cement mixture into the hole under pressure as the auger is withdrawn. SMX columns are installed by injecting and blending cement into the soil using a drill rig equipped with single or multiple augers (Rockridge Geotechnical 2020).

Potential vibration levels associated with construction are not expected to exceed thresholds for human annoyance or for damage to “normal dwelling houses,” and would be monitored during construction if VSCs are the selected ground improvement method, which would ensure that installation does not exceed established criteria that would affect adjacent structures or nearby residents. Furthermore, Municipal Code section 24.14.220 indicates that no land or building in any district shall be used or occupied in any manner so as to create noise or vibration in such a manner or in an amount as to adversely affect the surrounding area or adjoining premises. Thus, the project would not result in a significant impact related to groundborne vibration.

It also is noted that a noise assessment study was performed for the project, which evaluated project occupant exposure to noise compared to standards in the City’s *General Plan 2030* and California Code of Regulations, Title 24, and the CALGreen Non-Residential Mandatory Measures of Title 24. While exposure to noise is not an impact under CEQA, the study provides recommendations for windows to achieve an interior noise level of 45 decibels (dB) (Salter 2022). Implementation of these design recommendations would be required as a condition of approval prior to issuance of the project’s building permit. Therefore, the project would not result in any significant effect related to noise.

Therefore, based on the project noise study and supplemental noise assessment and reviews, the proposed project would not result in substantial increases in construction noise levels or a significant impact.

Air Quality

Criteria Air Pollutant Emissions. The California Emissions Estimator Model (CalEEMod) Version 2020.4.0 was used to estimate criteria air pollutant emissions generated during construction and operation of the proposed project. CalEEMod is a statewide computer model developed in cooperation with air districts throughout the state to quantify criteria air pollutant emissions associated with construction activities from a variety of land use projects, such as residential, commercial, and industrial facilities. A construction assumptions scenario was developed based on the best available information known and provided by the applicant. Key construction assumptions include phase types, phase timing and duration, off-road equipment use (e.g., type, quantity, and hours of operation per day), number of vehicle trips (e.g., haul trucks, vendor trucks, and worker vehicles) and trip distance, ground disturbance acreage, amount of demolition debris, and paving area.

Emissions of criteria air pollutants associated with construction and operation of the proposed project based on the CalEEMod results are shown on Tables 1 and 2. As shown, maximum daily emissions would not exceed the applicable Monterey Bay Air Resources District (MBARD) significance thresholds (MBARD 2008) related to

air quality. Therefore, project air pollutant emissions during both construction and operations would result in a less-than-significant impact as all emissions levels would be substantially below MBARD thresholds.

Table 1. Estimated Maximum Daily Construction Criteria Air Pollutant Emissions

Year	ROG	NO _x	CO	SO _x	PM ₁₀	PM _{2.5}
	pounds per day					
Summer						
2024	-	-	-	-	-	-
2025	4.23	31.13	31.93	0.07	2.08	1.25
2026	6.76	0.07	1.01	0.00	0.15	0.04
2027	-	-	-	-	-	-
Winter						
2024	2.19	29.40	16.94	0.09	3.53	1.83
2025	4.22	31.28	31.87	0.09	3.18	1.47
2026	6.76	30.93	31.50	0.07	2.05	1.22
2027	1.35	11.90	16.53	0.02	0.86	0.59
Maximum Daily Emissions	6.76	31.28	31.93	0.09	3.53	1.83
<i>MBARD Threshold</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	82	<i>N/A</i>
Threshold Exceeded?	N/A	N/A	N/A	N/A	No	N/A

Notes: CO = carbon monoxide; MBARD = Monterey Bay Air Resources District; N/A = not applicable; NO_x = oxides of nitrogen; PM₁₀ = coarse particulate matter; PM_{2.5} = fine particulate matter; ROG = reactive organic gases; SO_x = sulfur oxides.

The values shown are the maximum summer or winter daily emissions results from CalEEMod.

Emissions thresholds are included in MBARD’s CEQA Air Quality Guidelines (2008).

CalEEMod model results are on file with the City of Santa Cruz Planning and Community Development Department.

Table 2. Estimated Maximum Daily Operational Criteria Air Pollutant Emissions

Emission Source	ROG	NO _x	CO	SO _x	PM ₁₀	PM _{2.5}
	pounds per day					
Project						
Mobile	8.88	5.30	42.63	0.07	6.18	1.62
Area	5.93	0.00	11.23	0.00	0.02	0.02
Energy	0.07	1.20	1.01	0.01	0.09	0.09
Total	14.88	6.50	54.86	0.08	6.29	1.72
Existing						
Mobile	1.76	0.99	8.55	0.01	0.76	0.20
Area	0.44	0.00	0.00	0.00	0.00	0.00
Energy	0.01	0.11	0.09	0.00	0.01	0.01
Total	2.21	1.11	8.64	0.01	0.770.20	0.21
Net Change in Emissions						
Net Change (Project – Existing)	12.67	5.39	46.22	0.07	5.53	1.51
<i>MBARD Threshold</i>	137	137	550	150	82	<i>N/A</i>
Threshold Exceeded?	No	No	No	No	No	N/A

Notes: CO = carbon monoxide; MBARD = Monterey Bay Air Resources District; N/A = not applicable; NO_x = oxides of nitrogen; PM₁₀ = coarse particulate matter; PM_{2.5} = fine particulate matter; ROG = reactive organic gases; SO_x = sulfur oxides.

The values shown are the maximum summer or winter daily emissions results from CalEEMod.

Emissions thresholds are included in MBARD’s CEQA Air Quality Guidelines (2008).

CalEEMod model results are on file with the City of Santa Cruz Planning and Community Development Department.

Diesel Particulate Emissions. Diesel particulate matter was identified as a toxic air contaminant (TAC) by the State of California in 1998. The General Plan 2030 EIR discusses construction-related impacts in which diesel particulate matter could be emitted from construction equipment. The impact was found to be less than significant due to the California Air Resources Board's ongoing adoption of regulations for in-use, off-road diesel vehicles that will significantly reduce particulate matter emissions by requiring fleet owners to accelerate turnover to cleaner engines and install exhaust retrofits. The EIR also noted that the California Code of Regulations, Title 13, section 2486(c)(1) prohibits idling of a diesel engine for more than five minutes in any location, thereby further limiting particulate matter emissions. Additionally, emissions during construction are of a short-term duration in comparison to life-long exposure and health risks.

The project site is located across the street from a mixed-use, primarily residential project that is nearly complete. Residents of the new building are considered sensitive receptors with regard to air emissions. Construction-related diesel emissions at the project site would be of limited duration (i.e., primarily during grading) and temporary. Thus, in accordance with findings of the General Plan 2030 EIR and the Downtown Plan Amendments EIR, the construction of the proposed hotel project would not expose sensitive receptors at the new mixed use/residential project to diesel emissions, and associated risks are considered a less-than-significant impact as evaluated and concluded in the General Plan and Downtown Plan Amendments EIRs.

However, subsequent to certification of the General Plan 2030 EIR, changes were made to California guidelines regarding review of health risks associated with exposure to TACs. The most recent guidance from the Office of Environmental Health Hazard Assessment (2015 Risk Assessment Guidelines Manual) updated some cancer risk parameters, such as age-sensitivity factors, daily breathing rates, exposure period, fraction of time at home, and cancer potency factors. Diesel particulate emissions from heavy construction equipment and vehicles during construction could result in a health risk to proximate sensitive receptors, particularly to children and pregnant women. However, use of heavy-duty construction equipment is subject to a CARB Airborne Toxics Control Measure for in-use diesel construction equipment to reduce diesel particulate emissions and use of diesel trucks is also subject to an Airborne Toxics Control Measure, which serve to reduce emissions. Additionally, construction equipment that includes CARB-compliant emissions control equipment or diesel particulate filters can substantially reduce emissions and associated potential health risks to a level that would not be considered a significant impact.

General Plan 2030 Policy and Program HZ2.2 and HZ2.2.1 require review of air quality issues, and use of best available equipment controls are standard measures to control or reduce diesel emissions. The City's Climate Action Plan (CAP) (SOURCE 2.a) includes measures to work toward reduction/elimination of off-road gasoline- and diesel-powered equipment, including construction equipment (Actions T6.1 through T6.5), and best available equipment technology is identified as a typical control for TAC emissions from diesel equipment (SOURCE 2a-Appenix A). Additionally, the City's Water Department has identified Standard Construction Practices to be implemented by the City and/or its contractors during construction, which includes a requirement to use specified CARB-compliant equipment and/or diesel-particulate filters to substantially reduce diesel emissions. A standard project condition of approval requires use of specified CARB-compliant equipment and/or filters (e.g., requiring use of Tier 4 emission control technology), which would ensure that potential impacts associated with exposure to diesel emissions would be less-than-significant level, consistent with General Plan Program HZ2.2.1, Climate Action Plan measures and Standard Construction Practices implemented in the City. Thus, no significant impacts

related to exposure of sensitive receptors to diesel-TAC emissions would occur with the application of uniformly applied development standards.

Air Quality Management Plan. Potential conflicts with the MBARD’s Air Quality Management Plan (AQMP) also were considered using guidance set forth by the MBARD’s CEQA Guidelines (MBARD 2008). A consistency determination is a process by which the lead agency demonstrates that the population associated with a proposed project is accommodated by the Association of Monterey Bay Area Governments’ (AMBAG’s) regional forecasts. AMBAG’s regional forecasts for population and dwelling units are embedded in the emission inventory projections used in the regional AQMP.

The District’s CEQA Guidelines indicate that non-residential population related activities (e.g., hotels, motels) would be evaluated on a case-by-case basis for consistency and that the District should be contacted for a consistency determination. The City contacted and consulted with MBARD staff to request a consistency determination. The project would not result in any new residential population since it is a hotel project, and the City’s existing population is within the forecasts used for the AQMP. (The City’s existing population is 63,224 and with approved and under-construction housing units, would total approximately 70,800, which is below the AQMP forecast of 73,375 in the year 2030,) Project emissions, including construction, are substantially below AQMP thresholds based on results of the CalEEMod modeling described above. Given, these considerations, MBARD staff confirmed that the project is consistent with the AQMP and would not conflict with its implementation (MBARD 2023).

Water Quality

The proposed project does not involve any discharges that would violate any water quality standards or waste discharge requirements. The City has developed a Storm Water Management Program (SWMP) in order to fulfill the requirements of the National Pollutant Discharge Elimination System (NPDES) General Permit for Discharges of Storm Water from Small Municipal Separate Storm Sewer Systems (MS4) (General Permit) and to reduce the amount of pollutants discharged in urban runoff. In compliance with the regulations, the City’s comprehensive SWMP is designed to reduce the discharge of pollutants and to protect water quality. The City also adopted an ordinance for “Storm Water and Urban Runoff Pollution Control” (Chapter 16.19 of the Municipal Code), as part of its SWMP. The ordinance identifies prohibited discharges and required Best Management Practices (BMPs) for construction and new development. City regulations (Municipal Code section 16.19.140) require that any construction project, including those undertaken under any permit or approval granted pursuant to Titles 15 (Streets and Sidewalks), 18 (Buildings and Construction), and 24 (Zoning) of the Municipal Code, shall implement BMPs including the City’s mandatory BMPs as detailed in the latest BMP manual published by the City’s Public Works Department. The City’s BMP manual requires the project to include a structural or treatment control BMPs, or a combination of BMPs, to reduce potential pollutant loadings in storm water runoff to the maximum extent practicable.

A stormwater management plan (SWMP) has been prepared for the project that details drainage features to collect and treat stormwater runoff. The project would connect to the City’s existing storm drain system adjacent to the San Lorenzo River. The project site drains from west to east, from Front Street to the base of the San Lorenzo River levee, into a 48-inch storm drain. The project would result in a slight increase in impervious surfaces (approximately 3,710 square feet). The project incorporates two bio-retention basins to satisfy water quality and runoff retention and treatment requirements for development of the levee frontage and portions of

the north and south plaza areas. The project SWMP includes perk-filter treatment manholes to satisfy water quality and runoff treatment requirements for the hotel development and treatment of impervious areas (BKF Engineers 2023). Furthermore, the proposed parking levels below the hotel would eliminate the existing surface parking lots, which would reduce conveyance of urban pollutants typically found in parking lots into the City's storm drain system.

The SWMP is subject to review and approval by the City's Public Works Department, which has found that the project is in compliance with stormwater management and treatment provisions included in City regulations with conditions of approval to ensure compliance with regard to levee pathway paving and runoff from sidewalk and turn lane improvements. Thus, the proposed project would not alter existing drainage patterns or result in water quality degradation, and project operations would not result in a significant water quality impact.

Construction activity on projects that disturb one or more acres of soil must obtain coverage under the State's General Permit for Discharges of Storm Water Associated with Construction Activity (Construction General Permit, 99-08-DWQ). Construction activity subject to this permit includes clearing, grading, and disturbances to the ground such as stockpiling or excavation. The Construction General Permit requires the development and implementation of a Stormwater Pollution Prevention Plan (SWPPP). The SWPPP is required to list BMPs that the discharger will use to protect stormwater runoff. Proposed grading and development on the project site would disturb more than 1 acre and, thus, the project would be subject to the Construction General Permit and preparation of a SWPPP, which would set forth measures to prevent erosion and protect water quality during construction.

Compliance with regulations contained in the City's Municipal Code regarding implementation of stormwater BMPs, grading requirements and implementation of erosion control plans (Chapters 16.19 and 18.45 and section 24.14.060), as well as preparation and implementation of a SWPPP during construction, would avoid/minimize potential storm runoff water quality impacts.

E. Utilities and Public Services

The project site is in an urban area and is currently served by public utilities and services for water, wastewater, gas, electricity, solid waste, and stormwater drainage. The proposed hotel project will continue to be served by existing utilities and service providers. Except for gas and electricity, all public services and utilities are provided by the City. Based on reviews by staff in City departments, the site can be adequately served by all required utilities and public services.

To address an existing and cumulative stormwater conveyance/capacity issue in the downtown area, the City has proposed a new pump station to ensure adequate stormwater conveyance capacity for a five-year storm event in the downtown, the planning for which is included in the City's 2023-2024 Capital Improvement Program. The project can be adequately served by existing utilities with future construction of the City's planned pump station. Until it is constructed, the project would contribute to existing stormwater flows that result in periodic surcharging and localized flooding, but this is not considered substantial given the minor increase in impervious surfacing resulting from the proposed project.

IV. Exceptions to Categorical Exemptions

The City has further considered whether the project is subject to any of the potential exceptions to the use of a categorical exemption found at CEQA Guidelines Section 15300.2. This section prohibits the use of categorical exemptions under the following circumstances:

- (a) for certain classes of projects (not the Class 32 infill exemption) due to location;
- (b) when the cumulative impact of successive projects of the same type in the same place, over time, is significant;
- (c) where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances;
- (d) where the project may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway;
- (e) where the project is located on a state designated hazardous waste site; and
- (f) where the project may cause a substantial adverse change in the significance of a historical resource.

A. Location

As noted above, section 15300.2(a) does not apply to the project because the Class 32 category of exemptions is not excluded on the basis of location.

B. Cumulative Impacts

Under CEQA Guidelines section 15300.2(b), a categorical exemption shall not be used when the cumulative impact of successive projects of the same type in the same place, over time is significant. There is no specific time requirement for the consideration of cumulative impacts “over time.” However, CEQA requires a lead agency to consider cumulative impacts from “reasonably foreseeable” projects (CEQA Guidelines section 15355(b)).

Successive projects of the same type in the same place on the proposed project development site have not been approved or proposed. Furthermore, once the construction of the proposed project is complete, there would be no available space on the site for future development.

There are a number of mixed-use and other development projects in the downtown area that have been approved or are under construction in proximity to the proposed project and within the downtown area as defined by the boundaries in the *Downtown Plan*. The geographic scope of the cumulative impact exception is clearly narrower than for projects for which an EIR is prepared, due to the more restrictive language of the potential exception (“projects of the same type in the same place”). However, notwithstanding the narrower scope of the exception, cumulative impacts from other projects similar enough to the proposed project to potentially combine or magnify impacts and that are located in vicinity of the proposed project or within downtown were fully considered.

There are three mixed-use projects under construction and two other approved mixed-use projects within the immediate vicinity of the proposed hotel project. All projects include ground-floor commercial uses with residential uses on the upper floors, and one project also includes a public transit facility and offices. These downtown area

projects also are expected to be constructed within the same general 2- to 5-year timeframe as the proposed project, with construction completion by the year 2030. Within the *Downtown Plan* area and the nearby area south of Laurel Street, development projects that are under construction would result in construction of approximately 1,150 residential units with ground-floor commercial uses. However, there would be a net reduction of approximately 13,800 square feet of non-residential commercial and office space due to demolition of existing commercial buildings to accommodate the new projects. The recently approved Downtown Library and Affordable Housing Project also includes 46,000 square feet of non-residential space that consists primarily of a new public library.

In addition, the City is proposing construction of a new stormwater pump station to address an existing cumulative stormwater issue and to ensure adequate stormwater conveyance capacity in the downtown. A feasibility study prepared for the City identifies a preferred location for a new pump station at the southeast corner of the Front Street/Soquel Avenue intersection that would partially extend upon an area of proposed levee fill (City of Santa Cruz 2022a). The City proposes inclusion of the new pump station in the City's upcoming Fiscal Year 2024 Capital Improvement Program. The project has not yet been designed, although a conceptual layout was included in the City's feasibility study. Much of the facility would consist of below-ground pipes and appurtenances with small above-ground control facilities. The new pump station would be designed to address issues of levee stability and placement of a new stormwater discharge into the San Lorenzo River, and thus, would not result in significant impacts related to levee stability and water quality. Therefore, there are no known significant cumulative impacts that would occur as a result of construction of a future stormwater water pump in combination with construction of the proposed hotel project. However, CEQA review would be required once the project is designed and proposed for construction; applicable permits from regulatory agencies also would be required.

With regards to development in the downtown area, the General Plan 2030 EIR considered potential new housing units and non-residential uses in the City that could be accommodated by the *General Plan 2030* with an estimated buildout of 3,350 new residential units and approximately 1,090,000 square feet of commercial uses throughout the City by the year 2030 (City of Santa Cruz 2012b, DEIR volume-page 3-13). The proposed project is located within the "River/Front" neighborhood area that was identified in the General Plan 2030 EIR for the purposes of evaluating potential growth. The General Plan 2030 EIR identified additional development in the downtown neighborhood to include 299 residential units, approximately 38,900 square feet of commercial space, approximately 4,500 square feet of office space, and 82 hotel rooms. In addition to the "Downtown" neighborhood area, the downtown area located along the San Lorenzo River east of Front Street is located in the "River/Front" neighborhood in the General Plan 2030 EIR, for which potential future development was estimated at 337 residential units and approximately 70,000 and 91,600 square feet of commercial and office space, respectively. Additional potential future development within the area covered in the *Downtown Plan* also was considered with amendments to the *Downtown Plan* that were approved in 2017 to include a net increase of 711 residential units, a net increase of approximately 2,200 square feet of office space, and a decrease in commercial space of approximately 14,700 square feet as evaluated in the Downtown Plan Amendments EIR.

Taken together, potential future development in the downtown area considered in the General Plan and Downtown Plan Amendments EIRs was estimated at 1,347 housing units and approximately 205,053 square feet of non-residential commercial and office space. It is noted that these potential development numbers in the General Plan 2030 and Downtown Plan Amendments EIRs were estimates developed for the purpose of completing environmental analyses, but were not adopted as caps or development limits.

Since adoption of the *General Plan 2030*, approximately 1,600 residential units have been constructed or approved in the “Downtown” and “River/Front” neighborhoods, which includes the area within the boundaries of the *Downtown Plan*. This exceeds estimates used for analyses in the General Plan 2030 EIR and Downtown Plan Amendments EIR. However, there has been a net reduction of approximately 3,300 square feet of non-residential space. With the proposed hotel project, cumulative non-residential square footage would total approximately 149,700 square feet, which is below the total non-residential square footage considered for development (205,053 square feet) in the General Plan 2030 and Downtown Plan Amendments EIRs in the Downtown and River/Front neighborhoods. Furthermore, none of the projected 82 hotel rooms have been developed yet in the downtown. Thus, the proposed hotel project and cumulative downtown projects would be within non-residential estimates previously analyzed for cumulative impacts. Furthermore, it is noted that total square footage of estimated cumulative downtown development along with other City-approved and under construction non-residential projects (commercial and office) would be approximately 15 percent of the total development estimates considered in the City’s General Plan 2030 EIR for these uses.

It also is noted that the City is in the process of developing a series of amendments to the *Downtown Plan* by extending the boundary of the existing *Downtown Plan* to incorporate an area south of Laurel Street and south of the proposed hotel project. The September 2022 Notice of Preparation (NOP) of a Subsequent EIR indicates that the amendments could facilitate additional development as a result of various circulation, land use and infrastructure revisions. For purposes of environmental review, the NOP indicates that the project area covered by the amendments could potentially accommodate 1,800 housing units and 60,000 square feet (sf) of gross commercial area, as well as accommodate construction of a new approximately 180,000 sf permanent sports and entertainment arena for the Santa Cruz Warriors basketball team. The proposed Plan amendments have not been fully drafted, and a Draft EIR has not been released for public review. The exact timing of these documents and ultimate decisions by the City are not known. Thus, consideration of future development that may be supported by future amendments to the *Downtown Plan* is not reasonably foreseeable for the purpose of consideration of potential cumulative impacts with the proposed hotel project.

There is no substantial evidence to support a conclusion that significant impacts would occur as a result of reasonably foreseeable cumulative projects in the downtown area based on cumulative impact analyses conducted for the City’s General Plan 2030 EIR and Downtown Plan Amendments EIR. Because approved cumulative development is within non-residential development estimates and far below non-residential development estimates considered and analyzed in the General Plan 2030 EIR, potential cumulative impacts to which the proposed project could contribute in the downtown area have been adequately addressed. Additionally, while residential development has exceeded estimates in the General Plan and Downtown Plan EIRs, total residential development (3,093 units), including approved and under construction projects, are below the amount evaluated in the General Plan EIR for the entire city (3,350 units). The General Plan 2030 EIR identified potential significant cumulative impacts related to noise, population, transportation/traffic, and water supply, and the Downtown Plan Amendments EIR identified significant cumulative impacts related to transportation/traffic, water supply, and schools. Cumulative impacts due to other reasonably foreseeable development projects in the vicinity of the proposed project would not be significant or the proposed project’s contribution would not be cumulatively considerable as explained below.

Noise. Neither the proposed project nor other downtown cumulative projects would contribute to cumulative noise impacts since these projects are not located in proximity to the road segments subject to the cumulative noise impact (Westside industrial area) as identified in the General Plan 2030 EIR.

Transportation/Traffic. Previous evaluations of cumulative traffic impacts were based on the traffic congestion metric of LOS, which is no longer applicable due to changes in CEQA described above, which now require traffic impacts to be evaluated based on VMT. In establishing guidelines, the State Office of Planning and Research issued guidelines that indicate if a project falls below an efficiency-based threshold that is aligned with long-term environmental goals and relevant plans, there would be no cumulative impact distinct from the project impact. Accordingly, a finding of a less-than-significant project impact would imply a less than significant cumulative impact (California Office of Planning and Research 2018). As indicated in Section III.D, the proposed project would not result in a significant impact related to VMT, and accordingly, cumulative traffic impacts also would be less-than significant.

Population. The General Plan 2030 EIR identified cumulative population growth as a potentially significant impact due to cumulative growth at the University of California, Santa Cruz (UCSC) in conjunction with growth accommodated by the *General Plan 2030*. The EIR concluded that cumulative growth (City and UCSC) could result in an average annual growth rate that would exceed historical growth rates and AMBAG population forecast growth rates if the North Campus area is annexed to the City in the next 20 years. UCSC updated its Long-Range Development Plan (LRDP) in 2021 and no longer proposes expansion into the North Campus area, although enrollments were projected to increase. The General Plan EIR considered UCSC enrollment to 19,500 students with provision of additional on-campus housing. According to UCSC's website, enrollment for the 2021-2022 academic year totaled approximately 19,500 students (University of California Santa Cruz 2023).

Regional population forecasts are updated every four years by AMBAG and have been updated since certification of the General Plan 2030 EIR and the Downtown Plan Amendments EIR. Current forecasts project a Citywide population of 72,218 in the year 2030 (AMBAG 2022). The City had a population of 63,224 people as of January 1, 2023 (California Department of Finance 2023). Based on the City's existing average household size of 2.3, cumulative downtown projects could result in a population increase of approximately 2,645 persons as a result of development of approximately 1,150 new housing units in downtown. This is a conservatively high estimate as household sizes in the downtown area are about 1.9 persons per household, slightly lower than the Citywide average, based on Census information. City population as a result of cumulative downtown projects could increase to approximately 65,870 and would not exceed regional population forecasts for the City of 72,218 in the year 2030 (AMBAG 2022). Therefore, no new significant cumulative population growth impacts related to downtown development are expected. Furthermore, the proposed hotel project would not generate new residential population as it is not a residential project, and project employees would be expected to be hired from the local workforce. Therefore, the project would not contribute to cumulative population growth impacts. Additionally, the General Plan 2030 EIR also indicates that regional population forecasts, which are updated every four years, would account for changing trends in cumulative development and growth.

Water Supply. The proposed project would contribute to significant cumulative impacts related to water supply identified in the General Plan 2030 and Downtown Plan Amendments EIRs. The EIRs predicted that water supplies would be adequate in normal years to serve estimated growth within the City of Santa Cruz water service area, but impacts would be significant and unavoidable during times of prolonged drought and potentially significant during normal years by the year 2030, As indicated in both EIRs, approved development

projects would be subject to City requirements for installation of water-conserving fixtures and landscaping in accordance with current Municipal Code and building requirements.

Subsequent to the adoption of the City's *General Plan 2030* and *Downtown Plan* amendments in 2017, the City adopted the 2015 Urban Water Management Plan (UWMP), and in November 2021, the City adopted the 2020 UWMP. The 2020 UWMP reported that annual water use has decreased since the early 2000s, but annual water use fell to a level of about 2.5 billion gallons, similar to the level experienced during the 1970s drought. Current projections forecast that water use over the next 25 years, including projected population growth, will increase at a very slow rate to reach approximately 2.8 billion gallons per year by 2045 (City of Santa Cruz 2021), which is lower than was forecast in the *General Plan 2030 EIR* or *Downtown Amendments EIR*.

With implementation of the City's water supply augmentation strategies outlined in the 2020 UWMP, the City projects having sufficient water available in normal years and single dry years to serve anticipated demand throughout the 2020-2045 UWMP planning period. However, the City's 2020 UWMP predicts that under multi-year drought conditions in the near term (2025) available supplies would meet projected demand in years one through four of the multi-year drought scenario, but would fall short of demand by 27 percent in year five, although such a shortage could occur sooner and persist longer through a multiple dry year period. Under multi-year drought conditions after 2030, with implementation of the planned infrastructure projects, available supplies would meet projected demand in years one through four of the multi-year drought scenario, and the year-five shortage is anticipated to be substantially reduced with projected shortages no larger than a negligible two percent or five percent with consideration of climate change parameters in dry years (City of Santa Cruz 2021). The 2020 UWMP indicates that while the City is vulnerable to water shortages during later years of a multiple dry year period primarily due to the limitation in when and how much water is available to meet system demand, exacerbated by a lack of storage within the system, the City is actively planning and implementing a number of projects and major investments in the water system designed to secure future water supply reliability.

As indicated above, annual water demand projections are less than what was analyzed in the *General Plan EIR*, and the City currently predicts potential negligible shortages during multi-year droughts with implementation of proposed water augmentation projects. The proposed project and cumulative approved downtown development are within the amount of non-residential development analyzed in both EIRs, although residential development in the downtown area has exceeded previous estimates, and total residential development is below the amount analyzed in the *General Plan 2030 EIR*. Furthermore, all projects would be subject to City requirements for installation of water conservation fixtures and landscaping for new construction.

Under multi-year drought conditions, the project, like other City customers, would be subject to water use restrictions. The increase in water demand due to the proposed project would not substantially exacerbate water supply reliability in the future or during a drought because the amount of additional demand when spread across all service area customers would not result in any noticeable increase in the timing or extent of curtailment in customer use that would otherwise be implemented during drought conditions. In addition, the project would pay the required "System Development Charge" that is required for a new or upgraded service connection or where a project adds new residential uses. This charge, as set forth in Chapter 16.14 of the Municipal Code, funds public water system improvements, and is assessed so projects pay the proportional share of the costs of new and existing water facilities necessary to meet the demand resulting from new or enlarged water services. This charge is intended to address the water supply impacts caused by new

development in the City's water service area, and the funds are used for construction of public water system improvements and conservation programs. Therefore, the project's incremental contribution to a significant cumulative water supply impact would not be cumulatively considerable.

Schools. The General Plan and Downtown Plan Amendments EIRs concluded that cumulative development could potentially affect school enrollments. The General Plan EIR concluded that this is a potentially significant cumulative impact, but would be mitigated to a less-than-significant level with required payment of school impact fees to fund necessary facility expansion and/or additions (City of Santa Cruz, April 2012, DEIR volume). Both EIRs also found that potential addition or expansion of school classroom facilities is not expected to result in significant physical impacts due to the location of existing facilities within developed footprints, and future enrollment could be accommodated without construction of new schools, although some expansion of existing facilities may be necessary (City of Santa Cruz, April 2012, DEIR volume). Therefore, a project's incremental contribution to this impact as a result of generation of students is not cumulatively considerable as the required payment of school impact fees would mitigate the project's cumulative contribution such that it would no longer be considered cumulatively considerable. However, the proposed hotel project would not generate residential population or school-aged children and would not contribute to this cumulative impact

Stormwater. Subsequent to the preparation and certification of the City's General Plan 2030 EIR and Downtown Plan Amendments EIR, the City has identified a cumulative stormwater conveyance/capacity issue in the downtown area and is proposing construction of a new pump station to address this issue and ensure adequate stormwater conveyance capacity for a five-year storm event in the downtown. A feasibility study was prepared for the City (City of Santa Cruz 2022a), including an evaluation of alternative sites for locating a new pump station. The study indicates that the existing 42- to 48-inch stormwater pipeline beneath the toe of the San Lorenzo River Levee, which extends between Soquel Avenue and Laurel Street, is undersized, and the study identifies a preferred location for a new pump station at the southeast corner of the Front Street/Soquel Avenue intersection (City of Santa Cruz 2022a). The City proposes inclusion of the new pump station in the City's upcoming Fiscal Year 2024 Capital Improvement Program. The proposed project would result in a slight increase in impervious surfacing, which would be minor given existing and future stormwater volumes in the drainage basin in which the project site is located. Thus, the project's contribution is not cumulatively considerable given the minor increase in stormwater volume. Additionally, the pump station would be needed even without the project.

Conclusion. Based on what is occurring and expected to occur due to approved projects, projects under construction, and reasonably foreseeable projects in the downtown area, no other potentially significant cumulative impacts have been identified. As explained above, the proposed project's contribution to cumulative water supply impacts would not be cumulatively considerable. No significant cumulative impacts have been identified for air quality or water quality. All development projects must comply with City stormwater regulations that would prevent or minimize water quality impacts as addressed in Section III.D, and thus, other cumulative projects in the downtown area would not result in a significant cumulative impact. Similarly, according to the MBARD, projects which are consistent with the AQMP would not result in a significant cumulative impact (MBARD 2008). As discussed in Section III.D, the proposed project is consistent with the AQMP, and thus no significant cumulative impacts would occur. Therefore, this potential exception of significant cumulative impacts of successive projects of the same type and in the same place is not met and does not disqualify the application of a categorical exemption to this project.

C. Significant Impacts Due to Unusual Circumstances

Under CEQA Guidelines section 5300.2(c), a categorical exemption shall not be used where there is a reasonable possibility that the activity will have a significant effect on the environment due to “unusual circumstances.” Unusual circumstances may be established by showing that the project has some feature that distinguishes it from others in the exempt class, such as its size or location, and that there is a reasonable possibility of a significant effect *due* to that unusual feature or circumstance, or by showing that the project would have a significant environmental effect. For the unusual circumstances exception to apply, it is not enough alone that there is a reasonable possibility the project would have a significant environmental effect; instead there must be a reasonable possibility that the activity would have a significant effect on the environment due to unusual circumstances.

The nature of a project may be “unusual,” particularly if its scope and size differ from conditions in the surrounding vicinity. This includes whether the project is or is not consistent with the surrounding zoning and land uses, including consistency with the underlying general plan and zoning designations and development standards. Conversely, the scope and size may be “unusual” if the use, height, or density differ substantially from surrounding uses. Therefore, “the presence of comparable facilities in the immediate area adequately supports [a]n implied finding that there [are] no ‘unusual circumstances’ precluding a categorical exemption.” (*Walters v. City of Redondo Beach* (2016) 1 Cal. App.5th 809, 821, quoting *Bloom v. McGurk* (1994) 26 Cal.App.4th 1307, 1316.)

The project site possesses no unusual features or environmental characteristics that distinguish it from other properties of similar size in the downtown area. The project site is located within an urban area, surrounded by development, and sensitive resources are not present as explained below. The project site’s immediate area, and the downtown area in general, have similar *General Plan 2030* and zoning designations as the subject property. As explained below, there are no “unusual circumstances” that differentiate the project from the general class of similarly situated properties or projects. For example, other properties in the surrounding area have developed or could develop a similar project in terms of size and density. Lastly, the proposed project does not include uses that would be considered unusual in the downtown area. As indicated above in Section III.A, all the proposed hotel uses are allowed in the CBD district as set forth in the *Downtown Plan* and allowed in the F-P zone district.

The project site is approximately 1.1 acres in size and is developed. There are numerous in-fill development sites in the downtown area that could similarly redevelop with a mixed-use project. There are at least six mixed-use projects that are currently under construction or approved in the downtown area on in-fill sites. In addition, five of these projects have qualified for the in-fill development categorical exemption under CEQA. There also is an approved mixed-use project in the downtown neighborhood as defined in the General Plan EIR, but outside of the *Downtown Plan* area, south of Laurel Street and south of the project site. A summary and comparison of these projects are included in Attachment B. Many of these projects have similar or greater heights and/or FAR as the proposed hotel project.

Aesthetics. The proposed project would result in a building height of 70 feet, which is consistent with the height that may be allowed in the “Additional Height Zone B.” However, the requested additional height does not result in an “unusual circumstance” as the additional height may be permitted pursuant to the *Downtown Plan* and zone district. The project is similar in height and scale as three approved mixed-use projects in the downtown area that are also designated RVC in the *General Plan 2030*, and which have approved heights of 81–85 feet. Furthermore, the *Downtown Plan* permits additional height to 85 feet in the area to the southwest of the project site between Pacific Avenue and Front Street on the west and east, and Cathcart Street and Laurel Street on

the north and south, respectively. The additional 85-foot height can also be allowed on the west side of Front Street between Cathcart Street and Soquel Avenue. In addition, there are two other buildings in the downtown area that exceed 80 feet in height, the Palomar Hotel and 110 Cooper Street (City of Santa Cruz 2017). Therefore, there are other existing, approved, and under construction projects with similar or greater heights as the proposed project, and existing City plans allow for height up to 70 feet, as is proposed, under specified conditions in the immediate vicinity of the proposed project. Thus, the project height would not in and of itself be considered an unusual feature of the project because other buildings of similar size exist, are under construction, or could be constructed under existing city plans and regulations on similarly sized, infill sites.

As indicated in the Downtown Plan Amendments EIR, there is no required presumption under CEQA that taller buildings are necessarily a substantial adverse change in the existing visual environment. Such determinations are made on a case-by-case basis at a lead agency's discretion and in consideration of the relevant environmental setting or context, which here, is a nearly fully developed urban area. Future proposed buildings with additional height would not be considered to be substantially out of scale with other existing buildings in the downtown area (City of Santa Cruz 2017).

Furthermore, the proposed project would not block scenic views, such as ocean views or distant mountain views as described in the General Plan and Downtown Plan Amendments EIR, nor affect scenic resources adjacent to a designated scenic highway. In an urbanized area, which the City is under the definition of the term in CEQA Guidelines section 15387, a project that results in conflicts with applicable zoning and other regulations governing scenic quality also could be considered a significant impact. Applicable regulations include height limits established in the zoning ordinance, requirements for approval of a Design Permit, and existing LCP requirements. The proposed project is consistent with the requested additional height allowed in the *Downtown Plan*. One of the findings set forth in section 24.08.430 of the City's zoning ordinance for approval of a Design Permit is that the site plan shall be situated and designed to protect views along the ocean and of scenic coastal areas. As discussed in the December 21, 2023 Planning Commission staff report, dated December 14, 2023, the proposed project would not result in significant impacts to existing scenic views. Section 24.08.250 also requires a finding with approval of a coastal permit that a development will maintain views between the sea and the first public roadway parallel to the sea. The proposed project is not located between a road and the ocean, thus not resulting in conflicts with existing regulations.

San Lorenzo River Sensitive Habitat. The project site is located adjacent to the San Lorenzo River, which is considered a sensitive habitat in the City's *General Plan 2030* and *City-wide Creeks and Wetlands Management Plan*. It is noted that special-status wildlife species could be present on the river side of the San Lorenzo River levee to the east of the project site. Special status wildlife species known to occur or have potential to occur within the San Lorenzo River and lower San Lorenzo River adjacent to the Main Beach include steelhead (*Oncorhynchus mykiss*), coho salmon (*Oncorhynchus kisutch*), tidewater goby (*Eucyclogobius newberryi*), western pond turtle (*Emys marmorata*), tricolored blackbird (*Agelaius tricolor*), and yellow warbler (*Setophaga petechia*). However, the proposed project would not result in significant direct impacts to sensitive river habitat or special status species as no development would encroach into sensitive habitat areas.

Additionally, the project would not result in indirect impacts to sensitive habitat or special status species based on technical reviews conducted for the project and summarized below. The *City-wide Creeks and Wetlands Management Plan* establishes requirements for structural setbacks and development standards and guidelines that would be applicable to development project along watercourses within the City in order to

protect sensitive resources from indirect impacts that may result from development. For the area in which the proposed project is located, the Creeks Plan indicates that properties are subject to provisions of the San Lorenzo Urban River Plan, which requires that a 10-foot setback be maintained between residential and commercial uses and the western edge of the levee trail. This is also a requirement in the *Downtown Plan*. The proposed new building meets and exceeds this requirement as it is set back approximately 20-50+ feet from the western edge of the Santa Cruz Riverwalk trail, and thus, would not result in significant indirect impacts to the sensitive river and riparian habitats.

The project was reviewed regarding consistency with the City of Santa Cruz Bird Safe Building Design Standards (City Standards, updated June 2022) and guidance for Bird Safe Structures along the San Lorenzo River (San Lorenzo River Guidance in the *Downtown Plan*). The project was found to be generally consistent with these standards, but there are two recommendations related to window glass treatment and landscaping that would be incorporated into final building plans as a condition of approval (Dudek 2023).

The trees on the project site, including those on the river levee, could provide potential nesting habitat for migratory birds which are protected by the Migratory Bird Treaty Act (MBTA) and the California Fish and Game Code (CFGC). Compliance with the MBTA would require that either a pre-construction nesting survey be conducted to confirm that no nesting birds protected under the MBTA are present if trees are to be removed during the nesting season or to remove trees outside of the nesting seas. Furthermore, the *Downtown Plan* Amendments EIR includes a mitigation measure that all projects adjacent to the river conduct a pre-construction nesting survey and establish protective buffers during construction if any are found. Thus, implementation of required, previously adopted mitigation measures and compliance with required regulations would not result in a significant impact. Furthermore, the City's *General Plan 2030* (Action NCR2.4.1 and Table 1) establishes biological survey protocols, including pre-construction nesting bird surveys if tree removal construction were to commence during the nesting season with establishment of appropriate construction buffers as needed if nesting birds are found. A standard project condition of approval requires Implementation of a pre-construction nesting survey, which would be applicable to the proposed project. Compliance with this standard condition would avoid any harm to nesting birds on-site, if any are found during the survey.

Thus, the project site location adjacent to a sensitive habitat and San Lorenzo River would not be considered an unusual circumstance that would lead to significant impacts as technical reviews have not identified any such impacts.

San Lorenzo River Levee Fill. As indicated in Section II.C, the project includes placement of fill on the San Lorenzo River levee's landward side that would result in creation of an elevation that transitions between the existing Santa Cruz Riverwalk and the proposed building as required by the City's *Downtown Plan*. All development projects along the river are required to make this improvement, and thus, the placement of fill would not be considered an unusual circumstance as other projects would also be subject to this City requirement. Furthermore, technical analyses and studies conducted for two projects north of the project site found the placement of fill on the landward side of the river levee would not result in other significant impacts (Dudek 2023b, 2021). In particular, it was found that the placement of engineered fill on the land side of the levee would not affect flows in the river or limit the ability of the river flood control project to function as intended and would not impair, compromise or change the flood control purposes of the levee. Therefore, there is no substantial evidence to indicate that the placement of fill on the landward side of the levee as required by City plans would result in a significant impact due to unusual circumstances.

Heritage Tree Removal. The project involves the removal of 11 heritage trees, consisting of street trees and trees on the landward side of the San Lorenzo River levee, which are subject to approval of a Heritage Tree Removal Permit. The project landscape plan shows eight existing trees that would be retained to include two existing street trees and six existing trees on the landward side of the San Lorenzo River levee. The landscape plan shows the planting of 28 new trees, including eight new street trees and the remainder on the landward side of the river levee, along Maple Alley, and adjacent to the hotel on the south with planting of primarily oak tree species, and species similar to existing London plane street trees for the new street trees.

Removal of heritage trees is permitted by City regulations under specified circumstances and with required tree replanting at ratios specified by the City. Approval of a heritage tree removal permit automatically requires replacement trees or payment of an in-lieu fee. Removal of a heritage tree that is consistent with the criteria, provisions, and requirements set forth in City regulations would not result in a conflict with a local ordinance, and thus, removal of heritage trees consistent with City regulations and requirements would not be considered a significant impact of the project or an unusual circumstance.

The proposed heritage tree removal is similar to other approved projects in the downtown area and throughout the City that have also included removal of heritage trees and replanting replacement trees. Most infill sites have been previously developed and include some trees and landscaping, and thus, the presence of heritage trees on the project site does not represent an unusual feature or circumstance. Other downtown area project sites with recently approved Heritage Tree Removal Permits include but are not limited to: Pacific Front Mixed-Use Project site that is under construction (two heritage trees); the approved Riverfront Project (eight heritage trees); the approved mixed-use project at 530 Front Street (eight heritage trees); approved 190 West Cliff Drive mixed-use project (11 heritage trees); and the Downtown Library and Affordable Housing Project (nine heritage trees). In addition, the project does not differ from other properties along the west side of the San Lorenzo River levee in which placement of fill is required by the City's *Downtown Plan*. The approved Riverfront Mixed-Use Project and the approved mixed-use project at 530 Front Street, both north of the project site, also required a similar number of removed heritage trees to accommodate placement of fill as required by City plans. Furthermore, the Front Street/Riverfront Corridor Development Standards and Design Guidelines section of the *Downtown Plan* recognizes that trees planted on the levee as part of the San Lorenzo Flood Control Improvement Project should be maintained and incorporated into new development, where feasible, and where not in conflict with the required fill or publicly accessible amenities. Thus the *Downtown Plan* anticipated that trees may need to be removed to meet this objective.

Removal of heritage trees would not result in a significant impact due to unusual circumstances as properties, and projects throughout the City are allowed to remove heritage trees through compliance with the criteria for removal, approval of permit, and replanting replacement trees as required by City regulations. Thus, the project and its location do not differ from other projects of any type and location throughout the City that are bound by the same regulations. In addition, the trees themselves do not represent an unusual feature. While some trees are non-native, and planted native trees on the San Lorenzo River levee are visible in the immediate vicinity of the project site, the trees are not visible from a wide-ranging area, are not visually prominent or distinctive, and are not considered scenic resources. The trees do not represent a significant or prominent visual element of the surrounding area, and removal would not substantially alter the visual character of the area. While any tree may possess aesthetic qualities, the trees that would be removed are not unusual for the species nor are they

visually distinctive or prominent from a wide area. Therefore, the trees would not be considered an unusual feature, and 18 replacement trees are proposed.

Other Potential Impacts. There is no substantial evidence that the proposed project would result in a significant impact as explained below. Therefore, there are no unusual circumstances related to the project or its surroundings that may lead to a significant effect on the environment.

As indicated above, the project would not result in impacts to sensitive biological resources as none exist on the project site.

The project would result in a slight increase in impervious surfaces on site, but the project SWMP and design drainage features would manage stormwater runoff. Therefore, the project would not modify the overall drainage patterns on- or offsite or result in significant water quality impacts. The project is located within an A99 Flood Zone as designated by FEMA. This designation indicates that the project area is subject to inundation by a 1-percent-annual-chance flood event, but which will be protected upon completion of an under-construction Federal flood protection system. A99 Zones are areas where enough progress has been made on the construction of a protection system, such as dikes, dams, and levees, to consider it complete for insurance rating purposes (FEMA 2023), which in this case are improvements to the levee adjacent to San Lorenzo River (City of Santa Cruz 2012b). For these reasons, the project site does not contain unusual hydrologic conditions or circumstances, and the project would result in significant impacts related to drainage or water quality degradation.

Most mixed-use and other development projects throughout the downtown area are required to prepare a geotechnical investigation report. A geotechnical investigation conducted for the project concluded that the project site can be developed provided the recommendations presented in this report are incorporated into the project plans and specifications and implemented during construction. The primary geotechnical concerns at the project site are soils that are subject to liquefaction and lateral spreading in the event of a large earthquake; providing adequate foundation support; and high groundwater levels. The report includes recommended methods of ground improvement to support foundations, protect the structure from liquefaction and settlement. Acceptable identified ground improvement methods include vibro-replacement stone columns, drilled displacement sand-cement columns, or soil-cement mix columns; over excavation and re-compaction could also be used to improve the near-surface soils at the site (Rockridge Geotechnical 2020). The investigation did not reveal any conditions that differ from other sites in the downtown area and throughout the City, and thus, there are no soils or geological features that would be considered unusual that aren't encountered at other sites throughout the City and particularly in the downtown area adjacent to the San Lorenzo River. A standard condition of approval requires the geotechnical report be submitted as part of the building permit application, consistent with state and local regulations, and that the geotechnical recommendations are incorporated into the building design.

The property is located within a sensitive archaeological area. A cultural resources evaluation was conducted, which included archival research and a surface reconnaissance. The archival research revealed that no previously recorded archaeological resources are located within the project site. No significant cultural materials, prehistoric or historic were identified, and the evaluation concluded that the proposed project would not affect any recorded historic properties or unique archaeological resources, no subsurface testing for buried archaeological resources or archaeological monitoring during ground disturbing construction was

recommended due to the low sensitivity for exposing significant subsurface cultural resources (Basin Research Associates 2022). The project site does not contain historical resources as explained below in Section IV.F.

Furthermore, if prehistoric and/or historic deposits or features are discovered during construction, construction would be required to cease and a qualified archaeologist would be required to inspect and prepare recommendations for handling of the artifacts. This is required in the City's Municipal Code (Section 24.12.430) regarding potential discovery of unidentified archaeological resources during construction. Discovery of unidentified (e.g., buried) cultural resources during any construction would be subject to this requirement as a standard condition of approval. Thus, the proposed project would not result in significant impacts to archaeological resources.

The project site is not located in a mapped fire hazard area per the City's *General Plan 2030* (City of Santa Cruz 2012a). Also, the project site not located in or near a state responsibility area or lands classified as very high fire hazard severity zones by the California Department of Forestry and Fire Protection (CAL FIRE 2007).

Conclusion. For these reasons explained above, there are no unusual circumstances surrounding the project or project site that would suggest a reasonable possibility of a significant effect on the environment due to such circumstances, and this exception does not apply to the project.

D. Scenic Resources

Under CEQA Guidelines section 15300.2(d), a categorical exemption shall not be used for a project which may result in damage to scenic resources, including but not limited to, trees, historic buildings, rock outcroppings, or similar resources, within a highway officially designated as a state scenic highway. The project site is not located adjacent to or near a highway; the nearest highway, Highway 1, is located approximately 0.4 miles northwest of the project site. Furthermore, there are no officially designated state scenic highways within the City (Caltrans 2023). Therefore, the project would not result in damage to scenic resources within an officially designated, state scenic highway, and this exception does not apply to the project.

E. Hazardous Waste Sites

Under CEQA Guidelines section 15300.2(e), a categorical exemption shall not be used for a project located on a site which is included on any list compiled pursuant to section 65962.5 of the Government Code (i.e., the Cortese List). The project site is not included on a list of hazardous waste sites compiled pursuant to Government Code section 65962.5. The following Cortese List online data resources (CalEPA 2023) were reviewed during the preparation of this document: (1) the list of hazardous waste and substances sites from the Department of Toxic Substances Control's (DTSC's) EnviroStor database (DTSC 2023a); (2) the list of leaking underground storage tank sites from the State Water Resources Control Board's (SWRCB's) GeoTracker database (SWRCB 2023a); (3) the list of solid waste disposal sites identified with Waste Constituent Above Hazardous Waste Levels Outside the Waste Management Unit (CalEPA 2023b); (4) the list of active Cease and Desist Orders and Cleanup and Abatement Orders from the SWRCB (SWRCB 2023b); and (5) the list of hazardous waste facilities subject to corrective action pursuant to Section 25187.5 of the Health and Safety Code, identified by DTSC (CalEPA 2023c). In addition, a Phase I Environmental Site Assessment conducted for the project included state and federal environmental database searches, including Geotracker and EnviroStor. The project site was not listed on any of the databases

searched (Ramboll 2022b). Therefore, based on the above review, the project site is not included on any list compiled pursuant to Government Code section 65962.5 and this exception does not apply to the project.

Phase I and Phase II Environmental Site Assessments (ESAs) were conducted at the project site due to historical uses on the site including a gas station. The Phase II ESA included total of sixteen exploratory soil borings (to collect soil, groundwater, and soil vapor samples. Soil results were compared to Regional Water Quality Control Board (RWQCB) Environmental Screening Levels (ESLs) for commercial/industrial use and construction worker safety where established. Concentrations of arsenic in the analyzed shallow soil samples were detected, which exceed commercial/industrial and construction worker health ESLs. However, the detected arsenic concentrations are typical of background arsenic concentrations in the region. Therefore, the Phase II ESA concluded that the arsenic detections are typical of background concentrations in the region and do not represent a significant environmental concern and with commercial use of the ground floor, these relatively low detections are unlikely to pose adverse health risks to site occupants. The Phase II ESA does recommend, however, that a soil management plan (SMP) be prepared and implemented to provide background information and general worker awareness information related to known environmental conditions, as well as action for potentially unknown environmental conditions encountered during future construction (Environmental Investigation Services, Inc. 2020).

F. Historical Resources

Under CEQA Guidelines §15300.2(f), a categorical exemption shall not be used for a project which may cause a substantial adverse change in the significance of a historical resource. Section 15064.5 defines a historical resource as:

- A resource listed in, or determined to be eligible for listing in, the California Register of Historical Resources (CRHR);
- A resource listed in a local register of historical resources.
- Any object, building, structure, site, area, place, record, or manuscript which a lead agency determines to be historically significant or significant in the architectural, engineering, scientific, economic, agricultural, educational, social, political, military, or cultural annals of California...Generally, a resource shall be considered by the lead agency to be :historically significant.” Generally, a resource is considered historically significant if it meets criteria for listing in the California Register of Historical Resources, including:
 - Is associated with events that made a significant contribution to the broad patterns of California’s history and cultural heritage.
 - Is associated with the lives of people important in our past.
 - Embodies the distinctive characteristics of a type, period, region, or method of construction, represents the work of an important creative individual, or possesses high artistic values.
 - Has yielded or may be likely to yield information important in prehistory or history; OR
 - A resource determined to be a historical resource by a project's lead agency.

According to maps developed for the City’s General Plan, the project site is not located within a designated historic district (City of Santa Cruz 2012a). However, the project site is located in an area mapped as archaeologically sensitive per the City’s General Plan. Therefore, an archaeological investigation was conducted for the proposed project, which found no significant archaeological resources on the site; see subsection Section IV.C above. The

existing building on the project site was constructed in 1978, and is not of the age to be further evaluated as a potential historical resource, i.e., 50 years or older.

The project site is located within a sensitive archaeological area. Therefore, an archaeological evaluation was conducted, which included an archival search and a surface reconnaissance. The evaluation revealed that no previously recorded archaeological resources are located on or adjacent to the site, and no significant cultural materials, prehistoric or historic were identified (Basin Research Associates 2022). Therefore, there is no evidence of historical archaeological resources on the project site.

For these reasons, the City is able to document that the project qualifies for the Categorical Exemption found at CEQA Guidelines section 15332, the in-fill exemption, and that none of the potential exceptions to the use of a categorical exemption apply to this project or the project site.

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SOURCE: USGS 7.5-minute Series Santa Cruz Quadrangle

FIGURE 1

Project Location

The Cruz Hotel CEQA Review



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ATTACHMENT A

City Review of Project Consistency with General Plan and Zone District Regulations

General Plan Consistency

The majority of the project site, within the privately owned parcels and where the building is proposed, has a General Plan land use designation of Regional Visitor Commercial (RVC)/Downtown Santa Cruz. The RVC/Downtown Santa Cruz designation emphasizes a mix of uses such as office and retail uses, residential and mixed-use developments, restaurants, and visitor attractions. The proposed use of the parcel as a hotel project is consistent with the intent of the RVC/Downtown Santa Cruz designation. The area of the project on City owned land east of the building to the Riverwalk that is proposed to be filled and landscaped with outdoor amenities has a land use designation of Natural Area. This designation provides for land that should remain in an undeveloped state to provide for habitat protection, public safety, or public recreation. While the designation allows a public recreation use on a case-by-case basis, it should also be noted that the *Downtown Plan* and the *San Lorenzo Urban River Plan* requires such a use to be developed in this location as described below. The proposal creates a publicly accessible outdoor extension area connecting the development to the Riverwalk in this area consistent with the land use designation. The proposed project is also consistent with many General Plan policies relating to visitor-serving uses, alternative transportation, open space access, and downtown area development as follows:

- **Community Design CD1.1.4** *Identify and emphasize distinguishing natural features that strengthen Santa Cruz's visual image (i.e., open space, Monterey Bay).*
- **Community Design CD1.4.2** *Consider visual access to nearby natural areas as part of developmental review.*
- **Community Design CD1.5.1** *Enhance the prominence of the San Lorenzo River as a natural feature that provides structure, orientation, and recreational enjoyment by including it in surrounding area and management plans.*
- **Community Design CD1.5.2** *Provide incentives for new development adjacent to the San Lorenzo River that includes patios overlooking the river, enhanced connections to the levee trails, and other design features that connect the built environment to the river.*
- **Community Design CD3.1.1** *Strengthen the linkage between Downtown, the Beach Area, and San Lorenzo River through amendments to corresponding Area Plans and the Zoning Ordinance.*
- **Community Design CD3.1.2** *Maintain, update, and implement the City's San Lorenzo Urban River Plan.*
- **Community Design CD3.3.1** *Develop incentives to encourage the assembly of small parcels through Area Plan amendments and Zoning Ordinance changes.*
- **Community Design CD4.1.1** *Support compact mixed-use development Downtown, along primary transportation corridors, and in employment centers.*
- **Community Design CD4.1.1** *Where possible, site buildings at the street frontage and place parking areas away from street corners and to the rear of buildings.*

- **Community Design CD4.2.3** *Underground utilities when major road improvement or reconstruction is proposed, if possible.*
- **Community Design CD4.3.6** *Implement streetscape and other landscaping plans in the City's Area and Specific Plans.*
- **Community Design CD5.2.1** *Encourage buildings to be oriented towards sidewalks, public plazas, walkways, or rivers and to include features such as public benches and natural seating areas.*
- **Community Design CD5.2.2** *Encourage the incorporation of public benches and natural seating areas along public walkways and in public plazas and parks.*
- **Community Design CD5.2.4** *Ensure that new and revised design guidelines encourage the use of pedestrian-scaled fenestration, awnings, entrances, landscaping, and other amenities.*
- **Land Use LU1.1.2** *Create incentives for the consolidation of underdeveloped parcels relative to development potential.*
- **Land Use LU1.2.1** *Environmental review for specific projects shall be accompanied by sufficient technical data and reviewed by appropriate departments.*
- **Land Use LU2.3.1** *Protect, maintain, and enhance publicly accessible coastal and open space areas.*
- **Land Use LU3.11.2** *Ensure appropriate land uses and development standards that do not adversely impact adjacent open spaces.*
- **Mobility M1.1.1** *Create walkable, transit-oriented activity centers throughout the city.*
- **Mobility M1.1.2** *Connect activity centers with pedestrian and bicycle paths.*
- **Mobility M2.1.2** *Encourage use of alternative modes of transportation.*
- **Mobility Development Policy M1.3** - *Create pedestrian-friendly frontage and streetscapes and attractive pedestrian-oriented areas.*
- **Mobility M4.1.6** *Enhance the pedestrian orientation of the Downtown Central Business District.*
- **Mobility M4.1.7** *Require the site and building design facilitate pedestrian activity.*
- **Mobility M4.1.9** *Require landscaping in the development, replacement, and repair of sidewalks, including the placement of trees on private property and/or in tree wells on sidewalks.*
- **Economic Development ED1.1.2** - *Support the development and expansion of businesses that make a balanced contribution to the cultural, environmental, and economic health of the city.*
- **Economic Development ED1.1.3** - *Encourage the development of year-round businesses and visitor activities, resources, and destinations that can also attract and engage local residents.*
- **Economic Development ED 1.1.6** - *Revitalize the RiverFront area.*
- **Economic Development ED 1.5.1** - *Encourage the development of facilities that would accommodate conferences and conference-goers in conjunction with existing or new hotel development.*
- **Economic Development ED 1.5.2** - *Attract a top-end, full-service hotel to expand and improve the year-round conference segment of the tourism market.*
- **Economic Development ED1.7.2** - *Diversify the range of visitor attractions in Santa Cruz, particularly those that draw on the city's unique natural and cultural assets.*
- **Economic Development ED 5.5.1** - *Enhance Downtown as a welcoming and inviting destination for residents, visitors, and businesses.*

- **Economic Development ED 5.5.3** - *Retain existing businesses and attract new ones to downtown Santa Cruz.*
- **Economic Development ED 5.5.4** - *Create a distinctive and active pedestrian environment downtown.*
- **Economic Development ED5.1.1** *Provide for the development of supporting land uses adjacent to retail shopping areas, while assuring protection of existing residential neighborhoods.*
- **Economic Development ED5.3.1** *Provide for attractive commercial development (including more intensive and higher quality ground floor retail) along commercial corridors provided the uses are compatible with or transition easily to adjacent residential areas.*
- **Economic Development ED5.5.5** *Allow for the extension of café and retail uses within the public right-of-way, subject to design standards and management guidelines.*
- **Hazards, Safety, Noise HZ6.4.8** *Minimize the alteration of natural floodplains, stream channels, and natural protective barriers that accommodate or channel floodwaters.*
- **Parks, Recreation, and Open Space PR1.6.1** *Maintain and enhance access for vehicles, transit, bicycles, and pedestrians.*
- **Parks, Recreation, and Open Space PR4.1.3** *Maintain and enhance the recreational value of the San Lorenzo River walkway and the East and West Cliff Drive pathways*
- **Natural Resources and Conservation NRC1.1.2** *Where consistent with riparian and wetland protection, provide actual or visual access of a low-impact nature*
- **Natural Resources and Conservation NRC1.1.1** *Require setbacks and implementation of standards and guidelines for development and improvements within the city and adjacent to creeks and wetlands as set forth in the Citywide Creeks and Wetlands Management Plan.*
- **Natural Resources and Conservation NRC1.3.1** *Conserve creek, riparian, and wetland resources in accordance with the adopted City-wide Creeks and Wetlands Management Plan and the San Lorenzo River Plan.*

Zoning Consistency

Downtown Plan Development Standards Consistency Analysis

The project site is zoned CBD (Central Business District), CZ-O (Coastal Zone Overlay), SP-O (Shoreline Protection Overlay), F-P (Floodplain), and FP-O (Floodplain Overlay). Pursuant to Municipal Code section 24.10.2300, the purpose of the CBD zone district is to implement the Land Use Plan, Development Standards, and Design Guidelines of the *Downtown Plan*. The project is consistent with the goals and policies for development in the *Downtown Plan* as discussed below.

Downtown Plan: First Principles and Planning Principles and Strategies. The First Principles of the *Downtown Plan* provide overarching goals for development in this area. The project is consistent with applicable goals as summarized here:

- **Form and Character.** New buildings should be allowed to develop individual character while retaining qualities of the historic townscape. Issues of articulation, materials, signage, setbacks, scale, massing, form, bulk, solar access, and height are critical.

- Building Height should maintain the scale and character of the existing downtown, with explicit criteria for additional height within the additional height zones.
- Significant new housing opportunities should be targeted throughout the downtown, including along the San Lorenzo riverfront.
- Accessibility is emphasized to ensure participation in commercial, governmental, residential, social and cultural activities.
- A strong network of open spaces that creates a socially active and pedestrian-oriented downtown core should be emphasized.
- Pedestrian, bicycle, and transit access to the downtown should be enhanced.

The *Downtown Plan's* Planning Principles and Strategies expand upon the First Principles and provide basic strategies and recommendations for the downtown. These principles and strategies seek to connect new development along the Front Street/Riverfront Corridor with the San Lorenzo River in terms of building orientation, building design, and active ground level commercial uses that take advantage of the riverfront, and enhancement of public access at the river as a recreational resource. In addition, the principles and strategies further emphasize visitor-serving uses in this location to support the commercial uses in the downtown.

The project implements the First Principles and the Planning Principles and Strategies in several ways. The proposed building has its own unique character while still maintaining consistency with the design standards and guidelines within the *Downtown Plan*. The building height is consistent with Additional Height Zone B. The project provides a visitor-serving hotel which will in turn support other local businesses such as restaurants and retail in the downtown. The project's design creates a strong linkage to the river by having the restaurant, bar and banquet uses on the east side of the building orientated toward the Riverwalk. Finally, the site layout enhances pedestrian and bicycle usage with an outdoor stairway and new accessible pathways connecting Front Street and the Riverwalk as part of the Maple Street Passageway.

Downtown Plan: Additional Height Request. The *Downtown Plan* has two Additional Height Zones intended to promote the intensification of areas currently occupied by service uses into developments that foster activity and a sense of stewardship. The project is located in Additional Height Zone B, which includes the properties between Front Street and the San Lorenzo River from Soquel Avenue to Laurel Street. This additional height zone allows an increase in building height from 50 to 70 feet with a recommendation from the Planning Commission and approval by City Council, and only when specific criteria are met. This application includes a request to increase the building height to 70 feet. A project requesting additional height in Additional Height Zone B must implement several overarching City objectives. The proposal meets those objectives as follows:

- i. *The additional height will help to achieve the First Principles of the Downtown Plan (e.g. form, scale, housing, accessibility and open space).*
 The additional height to 70 feet allows the building to retain a form that provides architectural articulation as well as provide publicly accessible open space and access from Front Street to the Riverwalk via the Maple Alley Passageway. The additional height allows for 116 more hotel rooms than would be created under a project that met only the base height, providing more visitor-serving accommodations and economic impact to the downtown.

- ii. *The additional height will contribute to an improved social and economic environment;*
 The Additional Height Request brings the building height to 70 feet and adds 116 more hotel rooms than would be accommodated within the 50-foot building base height. The result is a project that provides not only additional hotel rooms, but generates significant Transit Occupancy Tax, important conference/meeting room space, as well as restaurant and retail space in a location adjacent to the Riverwalk and walkable to many businesses in the downtown, generating economic and social activity in both of these areas.
- iii. *The form of the development promotes the appearance of a grouping of buildings rather than large monolithic building masses;*
 The building follows a development standard for Additional Height Zone B that requires a building façade break with a length of at least 15 feet and depth of at least 10 feet along the Front Street elevation, as well as required stepbacks. The project meets the performance criteria in the Additional Height Zone B section which are intended to promote the appearance of multiple building rhythms at ground, middle and upper levels to promote the appearance of a grouping of buildings rather than large monolithic building masses.
- iv. *The development receiving additional height will physically and/or financially contribute its fair share (through an Improvement District, Development Agreement or similar mechanisms) to the implementation of internal pedestrian connections between Front Street and the Riverwalk;*
 The parcel furthest north (APN 005-151-34) will remain owned by the city but will be improved with a 50-foot wide public paseo (Maple Street Passageway) connecting Front Street to the Riverwalk to be designed, constructed and maintained by the hotel.
- v. *The additional height will help to meaningfully achieve one or more of the following key community objectives, including but not limited to: Economic Development Contributions to the Downtown, Affordable Housing, Day Care Center, exceed Green Building minimums, Incubator Space for Small Business, Public Access Easements, Public Right-of-way Improvements, Publicly Accessible Open Space, Structured or Shared Parking, and Transportation Demand Management concepts.*
 The Additional Height Request brings the building height to 70 feet and adds 116 more hotel rooms than would be accommodated within the 50-foot building base height. The result is a project that provides not only additional hotel rooms, but important conference/meeting room space, as well as restaurant and retail space in a location adjacent to the Riverwalk and walkable to many businesses in the downtown, generating economic and social activity in both of these areas. In addition, the project contributes a 50-foot wide public paseo (Maple Street Passageway) connecting Front Street to the Riverwalk which will be designed, constructed and maintained by the hotel. Compliance with Criteria vii. below will result in the contribution of funds toward the City’s Affordable Housing Trust Fund.
- vi. *Clear demonstration of the public benefit relating to two principal objectives: high-quality public access between Front Street and the river, and the appropriate treatment of the riverfront edge along the Riverwalk.*
 The parcel furthest north (APN 005-151-34) will remain owned by the city but will be improved with a 50-foot wide public paseo (Maple Street Passageway) connecting Front Street to the Riverwalk to be designed, constructed and maintained by the hotel.

The proposed extension area includes amenities such as an outdoor dining patio adjacent to the proposed restaurant and bar space, as well as an events lawn adjacent to the banquet/ballroom connecting this space to the adjacent Riverwalk.

- vii. *Affordable Housing Public Benefit Fee For Non-Residential Projects. An application for additional height is voluntary. Because an applicant requesting additional height is receiving a benefit in the form of increased height and intensity, and to ensure that non-residential projects which are granted additional height reasonably contribute to the City's need for affordable housing, non-residential projects that are granted additional height shall be required to pay an in-lieu public benefit fee in the amount of \$5.00 per square foot of gross floor area occurring above the 50-foot Base Height limit (i.e., the additional gross floor area occurring within the project on levels that exceed the 50-foot Base Height limit). The fee shall be paid prior to occupancy of the project. All fees provided collected under this section shall be deposited in the City of Santa Cruz's affordable housing trust fund.*

With the hotel qualifying as a Non-Residential project and requesting additional height, the project will be required to pay an in-lieu public benefit fee in the amount of \$5.00 per square foot of gross floor area occurring about the 50-foot base height. With an estimated 45,500 square feet of gross floor area above the 50-foot base height, a fee of approximately \$227,500 will be required to be paid into the City's affordable housing trust fund prior to occupancy of the hotel. A condition of approval has been included that speaks to this requirement.

Additional Height Zone B Performance Criteria. In addition to meeting the Front Street/Riverfront Corridor Development Standards and Design Guidelines, the project meets the performance criteria in the Additional Height Zone B section which are intended to promote the appearance of multiple building rhythms at ground, middle and upper levels to promote the appearance of a grouping of buildings rather than large monolithic building masses. The project meets the listed performance criteria and the details are called out on the plans (A2.01, A4.01, A4.02, A5.01).

ATTACHMENT B

Comparison of Downtown Projects

City of Santa Cruz Approved and Under Construction Mixed-Use and Other Projects in Downtown

Project	Site Size	Uses	Height (in feet)	Number of Total Trees / Heritage Trees Removed
Downtown				
• Front-Laurel	1.4 acres	Mixed-Use*	55-85	15 / 2
• Pacific Station South	0.5 acres	Mixed-Use*	80	0
• 532 Center St	0.77 acres	Mixed-Use*	48.5	0
• Riverfront Project	0.98 acres	Mixed-Use*	81	25 / 8
• Pacific Station North	0.7 acre	New downtown Santa Cruz Pacific Station Metro Station, Affordable Housing, Office	88	0
• Downtown Library and Affordable Housing Project	1.55 acres	Affordable Housing, Public Library, Commercial	84	12 / 9
• 530 Front Street	1.5	Mixed-Use*	92.5	23 / 8
• 130 Center (not in <i>Downtown Plan</i> area)	1.19 acres	Mixed-Use*	75	0

* Primarily residential, except for ground floor commercial

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