



County of San Mateo

Inter-Departmental Correspondence

Department: PLANNING AND BUILDING

File #: 19-730

Board Meeting Date: 7/23/2019

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Steve Monowitz, Community Development Director

Subject: Public hearing regarding: Introduction of an Ordinance approving a Second Amendment of the Development Agreement regarding construction of the Big Wave North Parcel Alternative Project (Big Wave NPA Project).

County File Number: PLN 2013-00451 (Big Wave Group, LLC)

RECOMMENDATION:

Conduct a public hearing for an introduction of an ordinance approving a Second Amendment of the Development Agreement between the County of San Mateo and Big Wave LLC and Big Wave Group:

- A) Open public hearing
- B) Close public hearing
- C) Introduction of an ordinance that authorizes the following changes to the Big Wave North Parcel Alternative Project (Big Wave NPA Project), with all of the proposed modifications applicable only to development approved on the project's north parcel with no changes are proposed to the south parcel uses, and waive the reading of the ordinance in its entirety:
 - 1. Allow a two-building Wellness Center site plan as an alternate to the approved three-building site plan; and
 - 2. Modify requirements related to bike trail construction; and
 - 3. Clarify requirements related to the on-site pedestrian trail and crossing over the drainage separating the north and south project parcels; and
 - 4. Extend deadline for completion of wetland restoration by 18 months to January 2021 and extend the deadline for the construction of a minimum of 25 bedrooms at the Wellness

Center to 3 years from an issued building permit; and

5. Replace the requirement that Big Wave construct project buildings to Leadership in Energy and Environmental Design (LEED) standards to require compliance with the building code including CALGreen requirements.

BACKGROUND:

On May 19, 2015, the San Mateo County Board of Supervisors approved the Big Wave North Parcel Alternative Project (Big Wave NPA Project) and the associated Development Agreement with the property owners of the subject parcels, Big Wave LCC (north parcel) and Big Wave Group (south parcel), referred to collectively as “Big Wave.”

2017 Modifications

At its meeting on June 6, 2017, the Board of Supervisors approved a first amendment of the Development Agreement, which made the following modifications to the Big Wave NPA Project:

1. Allowed construction on Lot 4 of the Office Park prior to construction of the Wellness Center, and other changes in Office Park building phasing. The original Development Agreement only allowed development on Lot 2 of the Office Park prior to construction of the Wellness Center. The approval of this change requires the property owner to begin Wellness Center construction on or before the date that the first Office Park building on Lot 4 is determined to be fifty percent (50%) complete.
2. Allowed construction types other than Type 1 (steel and concrete) for the Wellness Center buildings, provided that the selected construction type meets Coastside Fire Protection District requirements; and
3. Allowed the property owner to obtain building permits for a limited amount of Office Park building construction prior to obtaining Caltrans approval (e.g., encroachment permit) to install a signal or roundabout at the intersection of Cypress and Highway One. The original Development Agreement and conditions of approval required the applicant to obtain Caltrans approval to install a traffic signal or roundabout prior to obtaining building permits for any Office Park building. The conditions of approval were also revised to clarify that Big Wave’s responsibility for funding the construction of intersection improvements are equivalent to the cost of installing a traffic signal.

Details of the 2015 Approved Big Wave NPA Project

The approved Big Wave NPA Project includes the following components, which will not change with the proposed modifications:

1. A Use Permit for the modern sanitarium component of the Wellness Center, outdoor parking uses in the Airport Overlay (AO) Zoning District, and an Outdoor Boat Storage Use;
2. A Major Subdivision of the north parcel into seven lots and the creation of up to 108, approximately 1,500 sq. ft., business condominium units;
3. A Minor Subdivision of the south parcel into two lots;

4. A Coastal Development Permit, appealable to the California Coastal Commission, for the proposed subdivisions, uses, and improvements;
5. A Design Review Permit for proposed structures and associated grading;
6. A Grading Permit to perform 735 cubic yards (cy) of cut for utility trenching and to place 16,400 cy of imported gravel;

In conjunction with these approvals, the County certified an Environmental Impact Report (EIR) and EIR addendum, and approved a Development Agreement establishing terms for project implementation. The County's conditions of approval also require Big Wave to enter into a Housing Agreement to maintain the affordability of Wellness Center bedrooms for the life of the project, which must be approved prior to occupancy of the Wellness Center.

The Big Wave NPA Project will occur on two undeveloped parcels along Airport Street in the unincorporated Princeton-by-the-Sea area of San Mateo County. The Project is designed to be an economically sustainable development, whereby a per-square-foot assessment on space at the Office Park will contribute to funding housing and employment opportunities for low-income developmentally disabled adults residing at the Wellness Center.

Office Park:

The Big Wave NPA Project includes development of the north parcel with an Office Park, including up to five (5) buildings on Lots 2 - 6 containing a total of approximately 155,500 sq. ft. of industrial/office/storage uses. The Office Park buildings will be occupied by private firms with their own workers.

Wellness Center:

The Wellness Center, located on Lot 7 of the north parcel, will consist of 70,500 sq. ft. of affordable housing and associated uses with up to 57 bedrooms for a maximum of 50 developmentally disabled adults and their aides. In addition to housing, the Wellness Center will provide recreational facilities, commercial kitchen, and laundry facilities, and administrative offices. The Wellness Center will offer its residents a variety of services (e.g., meal services and care assistance) and job opportunities with business operations that employ residents, and, in some cases, generate revenue to help to maintain the economic sustainability of the Wellness Center. The Wellness Center will also include twelve (12) business tenant spaces, consisting of approximately 20,500 sq. ft. of General Office, Research and Development, Light Manufacturing, and/or Storage uses.

An outdoor boat storage area, operated by the Wellness Center as a Big Wave business, will be located on Lot 1 of the south parcel. The boat storage area is 1.12 acres in size and will provide 21 boat storage spaces, 14 vehicle parking spaces associated with boat use and storage, and a 190 sq. ft. precast concrete restroom building. There are no specific hours of operation, as the site would be accessible as needed by owners, and will not be staffed full-time.

Report Prepared By: Camille Leung, Senior Planner, Telephone 650/363-1826

Applicant/Owner: Jeff Peck/Big Wave Group, LLC; Big Wave Group, Inc.

Location: The north parcel is relatively flat and gently sloped to the west and south. The parcel presently contains agricultural fields irrigated by water from an on-site well. A vegetated drainage running east to west separates the two Big Wave parcels and drains into the Pillar Point Marsh, a salt marsh habitat. A total of 0.74 acres (32,180 sq. ft.) of the project site consists of wetlands, as defined by the California Coastal Act. A portion of the land constituting wetlands under the Coastal Act, 0.45 acres, is also considered Federal jurisdictional waters/wetlands, under the permit authority of the U.S. Army Corps of Engineers (USACOE).

APNs: 047-311-060

Size: Approximately 14.25 acres

Existing Zoning:

1. Light Industrial/Design Review/Coastal Development District (M-1/DR/CD)
2. Light Industrial/Airport Overlay/Design Review/Coastal Development District (M-1/AO/DR/CD)
3. Resource Management-Coastal Zone/Design Review/Coastal Development District (RM-CZ/DR/CD)

General Plan Designation: General Industrial and General Open Space

Sphere-of-Influence: City of Half Moon Bay

Williamson Act: There is no Williamson Act contract for the subject property.

Existing Land Use: Agriculture

Water Supply: No changes to water supply are proposed.

Sewage Disposal: No changes to sewage disposal are proposed.

Environmental Evaluation: On May 19, 2015, the Board of Supervisors certified the Addendum to the Certified 2010 Big Wave Wellness Center and Office Park Project EIR and 2010 EIR for the Big Wave NPA Project (EIR Addendum).

Setting: The project site is surrounded by the Half Moon Bay Airport to the east, the Pillar Ridge Manufactured Home Community (PRMHC) and a propane facility to the north, the Pillar Point Headlands and Pillar Point Marsh to the west, and industrial/commercial/recreational development within the Princeton and Pillar Point Harbor to the south. Pillar Point Ridge, west of the project site, lies between the marsh and the coastline and offers recreational hiking trails. Beach access to Pillar Point is provided south of the project site from the Mavericks parking area at the west terminus of West Point Avenue and at the eastern terminus of West Point Avenue at Princeton Avenue.

Site Constraints: The north parcel contains a 125-foot wide Airport Overlay (AO) setback area along the eastern (front) property line, a minimum 100-foot wetland buffer zone along the south and west (rear and left) property lines, and an Alquist-Priolo Earthquake Fault Zone over a part of the western portion of the property. Fault trench studies found no evidence of fault traces.

Chronology:

<u>Date</u>	<u>Action</u>
October 18, 2005	-Application for original Big Wave Project is submitted.
March 29, 2011	-The Board of Supervisors certifies the Draft EIR, Final EIR, and conditionally approved the original Big Wave Project.
August 8, 2012	-The California Coastal Commission (CCC) denies the project on appeal.
October 9, 2013	-Application for Big Wave North Parcel Alternative (NPA) Project (PLN 2013-00451) submitted.
May 19, 2015	-Board of Supervisors approve the Big Wave NPA Project. The Coastal Development Permit (CDP) was subsequently appealed to the California Coastal Commission. The CCC determined that the appellant did not have standing and therefore dismissed the appeal.
May 3, 2017	-The applicant requests a Minor Modification to the approved Coastal Development Permit, including changes to project phasing, traffic mitigation measures, and associated amendment to the Development Agreement.
June 6, 2017	-The Board of Supervisors conditionally approved the amendment to the Development Agreement.
January - February 2018	-Big Wave performs wetland planting under the supervision of a biologist and, subsequently, submits planting and monitoring documentation from the biologist.
June 12, 2018 - Present	-Big Wave submits building permit applications for building permits for the proposed design of the Wellness Center to the County.
June 5, 2019	-Applicant requests additional changes to the approved CDP and Development Agreement (Attachment D), as described in this report.
July 23, 2019	- Board of Supervisors hearing date.
August 6, 2019	- Anticipated 2nd reading of Ordinance.

DISCUSSION

DESCRIPTION AND ANALYSIS OF PROPOSED AMENDMENTS

The following is a description of the proposed revisions to the project conditions of approval and the Development Agreement, the reasons why they are requested, and the Planning and Building Department's analysis. Condition of Approval No. 1 authorizes the Community Development Director to approve minor changes in the project plans and states that "substantial changes to the approved plan (e.g., increase in the number of stories or substantial change in height or size) . . . require a

major amendment to the Design Review Permit and are subject to separate permitting.” For reasons stated in this report, the Community Development Director has determined that the instant changes proposed by Big Wave are minor in nature.

1. Changes to Wellness Center Site Plan

In May 2015, the Board of Supervisors approved a three-building site plan for the Wellness Center totaling 91,000 sq. ft., including 70,500 sq. ft. of affordable housing and associated common-living uses and 20,500 sq. ft. of business uses. The Wellness Center consisted of up to 57 bedrooms for a maximum of 50 developmentally disabled adults, as well as their aides/attendants. The approved site plan for the Wellness Center (see Attachment C) included Building 3 (49,200 sq. ft.) at the rear of Lot 7 and two smaller buildings (41,800 sq. ft. combined total) at the front of the parcel.

Condition of Approval No. 5.o.(1) required the applicant to increase the building setback from the shared property line with the Pillar Ridge Manufactured Home Community (PRMHC) from 30 feet to 65 feet, requiring the placement of Wellness Center buildings to shift significantly to the south. This requirement spurred a re-design of the Wellness Center which resulted in a consolidation of the buildings, an increase in the number of bedrooms constructed in Phase 1 of the Wellness Center construction from 25 to 33 bedrooms, and the incorporation of a new fire lane. Mitigation Measure LU-4 requires specific design changes but prohibits other changes to the shape, configuration, and location of the buildings, unless approved by the Community Development Director if the changes are determined to be minor in nature, or the Board of Supervisors if the changes are determined to be major in nature.

The current proposal, as shown by Attachment B3 to this staff report, consolidates the approved three-building Wellness Center buildings into two buildings. It includes a larger U-shaped building (49,870 sq. ft.) at the front of the parcel to be built in Phase 1 of Wellness Center construction, as well as a smaller building at the rear of the parcel (22,760 sq. ft.) to be built in Phase 2 of Wellness Center construction (prior to May 2027 as required by Condition of Approval No. 73). Overall, the size of the Wellness Center will be reduced by 18,370 sq. ft., which is 20% smaller than the originally approved project. The consolidated design will reduce construction costs for the project and allow for installation of a fire lane which directly connects the two turnaround bulbs at the front and rear of the Wellness Center.

Staff has analyzed the potential impacts of the proposed changes as viewed from PRMHC and from Airport Street, and analyzed impacts to the amount of affordable housing provided by the project approved in 2015.

Regarding potential impacts of the proposed modifications to the PRMHC, as shown in Table 1, below, the proposed Wellness Center buildings exceed the minimum required setback of 65 feet by providing a setback of 71 feet - 2 inches from PRMHC. While the length of building frontage along this setback will increase from a total of 328 feet to 337 feet and 4.5 inches (an increase of 3%), the gap between the two Wellness Center buildings along the shared property line will increase from 30 feet to 43 feet - 2 inches (an increase of 43.8%). The increased setback from PRMHC and increased gap between the buildings will provide a break in the overall massing of the buildings as

viewed from PRMHC. Additionally, the U-shaped configuration of the building directs courtyard noise to the south and would provide sound buffering between PRMHC and outdoor uses at the Wellness Center. Condition 5.o.(1) requires a 13-foot wide landscaping strip within the intervening setback that will screen and soften the view of the buildings.

Table 1			
Comparison between the Approved and Proposed Wellness Center Designs			
	<i>Approved Design</i>	<i>Proposed Design</i>	<i>% Change</i>
<i>Analysis of Impact to Pillar Ridge Manufactured Home Community</i>			
Setback from PRMHC	65 feet	71 feet -2 inches	+9.5%
Length of Building Frontage along the shared property line with PRMHC	165 feet (Buildings 1 & 2)	258 feet (Phase 1)	+3%
	163 feet (Building 3) Total: 328 feet	79 feet- 4.5 inches (Phase 2) Total: 337 feet - 4.5 inches	
Gap between buildings:	30 feet	43 feet – 2 inches	+43.8
<i>Analysis of Impact to Airport Street</i>			
Length of Building Frontage along Airport Street	200 feet	148 feet	-26%
Height along Airport Street	28 feet	26 feet	-2 feet
Maximum Height	33 feet	33 feet	No change
Size of Largest Building	49,200 sq. ft. (Building 3)	49,870 sq. ft. (Phase 1)	+1%
Footprint of Largest Building	24,600 sq. ft. (Building 3)	24,936 sq. ft. (Phase 1)	+1%
Total Size of Buildings	Total: 91,000 sq. ft.	49,870 sq. ft. (Phase 1) 22,760 sq. ft. (Phase 2) Total: 72,630 sq. ft.	-20%
<i>Analysis of Impact to Affordable Housing</i>			
Bedrooms to be built in first phase	25	33	+8 bedrooms
Total bedrooms	57	57	No change
Total Square Footage of Affordable Housing Use	70,500 sq. ft.	32,125 sq. ft. (Phase 1) 22,760 sq. ft. (Phase 2) Total: 54,885 sq. ft.	-22%

Regarding potential impacts of the proposed modifications to views along Airport Street, as shown in Table 1, the length of the Wellness Center building frontage along Airport Street will be reduced from 200 feet to 148 feet (or by 26%). The height of the Wellness Center structure along Airport Street will be reduced from 28 feet to 26 feet, although overall the maximum height of 33 feet will remain the same.

Overall, the size of the Wellness Center buildings will be reduced by 20% from a total of 91,000 sq. ft. to a total of 72,630 sq. ft., and the length of building frontage along Airport Street, as well as overall building size, will be reduced by 26% by using a more compact building design. As a result, the proposed design changes will not adversely affect views from Airport Street or Cabrillo Highway.

Regarding potential impacts to the amount of affordable housing to be provided at the Wellness Center, the number of bedrooms constructed in the first phase of construction will increase from 25 bedrooms to 33 bedrooms (or by 8 additional bedrooms). Although the total square footage of affordable housing will be reduced from 70,500 sq. ft. to 54,885 sq. ft., there will be no reduction in the number of bedrooms available for developmentally disabled adults and their aides. The inclusion of more bedrooms in the

first phase of Wellness Center construction is consistent with the County's desire to facilitate the provision of such housing for developmentally disabled adults.

2. Changes to Bike Trail Construction Requirements

Currently, Condition of Approval No. 73 requires Big Wave to install a Class I or Class II bike trail that extends the length of the south and north parcels adjacent to Airport Street by May 2018 and prior to occupancy of any project buildings. As of this date, no trail has been constructed. Some of the challenges to designing, permitting, and constructing this trail include resolving issues related to Federal Aviation Administration (FAA) restrictions on construction adjacent to an airport, potential wetland and biological impacts, and how it will affect circulation and parking along Airport Street.

Given the complexities of securing the necessary approvals to construct the preferred Class 1 bike trail on the east side of Airport Street, Big Wave requests revisions to project conditions that clarify Big Wave's responsibilities to contribute to the cost of a trail, and that eliminate the requirements that the trail be constructed prior to occupancy of any project buildings. Instead, Big Wave proposes to provide payment to fund the costs of constructing the segment of the trail along the length of the project site (estimated at approximately \$350,000) once the County has completed the design and secured all necessary approvals.

Staff recommends approval of this requested change in order to avoid delays to the project while the County explores the feasibility of a trail on the east side of Airport Street, and because the requirement to provide a bike trail was established in response to the applicant's voluntary offer to provide it, and not to mitigate any adverse impacts caused by the project.

3. Clarify Requirements Related to the On-Site Pedestrian Trail and Crossing over the Drainage Separating the Project Parcels

In addition to providing the bike trail described above, the conditions of approval require the applicant to provide pedestrian access along the entire length of the project site on the west side of Airport Street. The provision of this pedestrian access route is complicated by the need to cross the drainage channel that separates the north and south parcels, where the paved width of Airport Street is only wide enough to safely accommodate vehicles.

In order to address this challenge, Condition of Approval No. 67 requires the property owner to provide safe pedestrian access over the portion of Airport Street that spans the drainage by installing a temporary "K-rail" safety barrier as approved by the Department of Public Works, and by requiring the property owner to pursue permits for widening the bridge to provide permanent safe access. In the course of attempting to implement this condition, staff has determined that there is inadequate space to safely accommodate the temporary barrier, and that the preferred method of providing this access is by constructing a pedestrian crossing that is separated from the road and supported by the existing culvert abutments.

Staff therefore recommends approving Big Wave's proposed modifications to this condition to require construction of the preferred pedestrian crossing at the time the

pedestrian trail is constructed. The modified condition also clarifies that the County will obtain any necessary permits from the California Department of Fish and Wildlife (CDFW) and the U.S. Army Corps of Engineers (USACE) to construct this crossing, and that any delays attributable to such requirements shall not interfere project construction.

4. Time Extensions for Completion of Wetland Restoration and the First 25 Bedrooms of the Wellness Center

Currently, Condition of Approval No. 73 requires Big Wave to: (1) initiate Implementation of the approved wetland restoration plan by establishing the nursery and seed stock of the plants that will be used for restoration wetland restoration, prior to the issuance of any building permits; and (2) complete the planting and irrigation required to implement the approved wetland restoration plan and initiate the 10-year monitoring program contained in the approved restoration plan by May 2018.

In January and February 2018, Big Wave performed wetland planting under the supervision of a biologist. However, the full scope of required restoration activities, including planting and irrigation, have yet to be completed. Big Wave requests an extension of 18 months from this hearing date to complete the required restoration activities, consult with the County Parks Department as required by Condition of Approval No. 21, and consult with State and Federal permitting agencies as required by Mitigation Measure BIO-1a. If this change is approved, the completion of wetland restoration activities will occur by January 2021, which is 18 months from this date and 32 months from the current deadline of May 2018. Staff recommends approval of the requested extension, which is needed to complete the required wetland restoration tasks.

Big Wave, in a letter dated June 5, 2019 (Attachment D), also requests to change the required due date (May 2020) for the construction of the first 25 bedrooms of the Wellness Center, coastal parking construction, installation of landscaping along Airport Street, and implementation of shuttle services to serve Wellness Center residents, due to delays in project implementation. As Big Wave has demonstrated steady progress on the Wellness Center building permit applications, which include construction of the components listed above, staff supports the proposed timeframe of 3 years from the issuance of the Phase 1 Wellness Center building permit. Condition of Approval No. 73 has been modified to reflect this change.

5. Allow Big Wave to Construct to CALGreen Standards Instead of to LEED Standards

Big Wave requests to modify Condition of Approval No. 5.c to replace the requirement that all buildings receive a LEED rating with required compliance with CALGreen requirements. Big Wave requests this change as a cost saving measure, and staff supports the change because CALGreen requirements under the current Building Code ensure that the project will be constructed in a reasonable sustainable and energy efficient manner.

County Counsel has reviewed and approved the materials as to form and content.

FISCAL IMPACT

Nominal cost associated with monitoring by the Planning and Building Department.

ATTACHMENTS

- A. Proposed Draft Ordinance
- B. 2019 Development Agreement
 - 1. Draft Second Amendment of the Development Agreement
 - 2. Draft Revised Findings and Conditions of Approval
 - 3. Draft 2-Building Site Plan for the Wellness Center
- C. 2015 Approved Site Plan and Tentative Map
- D. Proposed Amendments to Conditions of Approval, Letter from Property Owner, dated June 5, 2019