

July 28, 2014

PROJECT NARRATIVE

Application Type: *City of Sonoma Conditional Use Permit*

Project Name: Hotel Project Sonoma, Sonoma, CA (Working Title)

Project Sponsor: Kenwood Investments LLC, Darius Anderson and Bill Hooper

Project Architect: **RossDrulisCusenbery Architecture, Inc.**, Michael B. Ross, AIA

Design Collaborator: Keith Wicks, Artist, Sonoma, CA

PROJECT OVERVIEW

The proposed project is a 59 guest room hotel, restaurant, and spa with 115 off street parking spaces, located on West Napa Street in Sonoma, CA, one-half block from Sonoma's historic Plaza. The proposed Hotel is centrally located within the downtown business district and within the Sonoma Historic Overlay District.

The proposed project's planning and design approach is consistent with Sonoma's General Plan policies and Development Code guidelines. No variances are required for this project. The infill project has been designed to promote the economic vitality of the Downtown District and to attract both local patrons and overnight visitors. The proposed project is the result of extensive public input, review and discussion and reflects a thoughtful consideration of the history of Sonoma.

Hotel Project Sonoma is based on Sonoma's existing patterns of design and historic land use precedents. The new Hotel will reflect the scale, design diversity and commercial use of buildings around the Plaza and along West Napa Street. Surrounding buildings feature various footprint sizes and massing, ranging from one to three stories in height. Nearby commercial buildings exhibit a range of architectural styles and business uses and range in age from turn of the last century to new construction. This project draws on these common patterns of commercial and restaurant use found in the area and offers additional pedestrian-friendly resident and visitor serving opportunities west of the Plaza.

SITE

The site has been an integral part of Sonoma's commercial life for years. According to historic resource specialists, Page & Turnbull's Historic Resource Evaluation Report (HRE) prepared for the project, by 1905 the block had been developed with a variety of commercial businesses, including the Union Stable, Rambo's blacksmith shop, a wine storage facility, sheds and the French Hotel with an adjacent French laundry and 20 car garage.

Currently the majority of the existing 54,000 SF site is used as a parking lot. The present site includes a metal warehouse building, the 153 West Napa Street building and other ancillary structures which will be removed.

All properties being considered for the new Hotel are controlled or owned by Kenwood Investments LLC. Contingent upon the granting of a series of lot line adjustments and necessary easements, a single hotel parcel will be formed.

AN ENSEMBLE OF THREE PRIMARY ELEMENTS

The hotel has been designed as an ensemble of three primary elements. These include:

Hotel Restaurant Building: This building fronts West Napa Street and includes a ground floor restaurant and two upper floors consisting of 20 guestrooms.

Main Hotel Building: The Main Hotel Building is built around two exterior garden courtyards and includes the public lobby, guest reception, two upper floors with 39 guestrooms and a Spa with six treatment rooms.

Hotel Basement Parking Garage: The Basement Parking Garage includes parking for 95 cars and other building support, delivery and storage spaces. An additional 20 surface parking spaces are provided on site.

THREE COURTYARDS

The Hotel will be constructed around three exterior courtyards including the Hotel Plaza Courtyard, a sheltered lobby courtyard and the raised swimming pool veranda area. The courtyards will be landscaped with raised planting beds and tree wells irrigated with captured, stored and recycled rain water.

GUEST ARRIVAL & DEPARTURE

The new hotel is designed to be pedestrian oriented. Upon arrival guests will be encouraged to park their cars for the duration of their stay and enjoy Sonoma via walking and biking. Guest vehicles will enter from West Napa Street into the Hotel's Plaza Courtyard. Guest arrival and departure will take place in the Plaza Courtyard. Guest drop off has been intentionally located deep in the site to avoid traffic back up on West Napa Street. During non peak traffic periods, departing guests will exit right onto West Napa Street. During peak traffic periods departing guests will pick up their vehicles in the basement parking garage and egress through the one way vehicle ramp directly onto First Street West.

BICYCLES

The hotel will provide, maintain and encourage the use of a fleet of bicycles for its guests. Use of bicycles by its employees and customers will be encouraged. Employee showers will be provided

to encourage bicycling to work. Secure employee bicycle parking will be provided in the southwest corner of the basement parking garage. Public bicycle racks will be provided at the front of the hotel. Bicycle rack locations are indicated on the Site Plan sheet A2.01.

ARCHITECTURAL DESIGN

The project is an ensemble of different but mutually related buildings designed to evoke Sonoma's vernacular style. The project design has been based on a architectural precedent study which draws from three primary Sonoma architectural patterns including the use of gabled thick walled buildings parallel to the street, the creation of exterior timber arcades at the sidewalk, and overhanging sheltering roofs.

Authentic Sonoma building materials will be used throughout the project, including thick plaster, wood and stone clad walls, metal and tile roofs, and split faced cut stone similar to City Hall and Buena Vista Winery.

The building exteriors will include deep window reveals finished with thick sills and jambs. The exteriors will include metal clad wood windows with true divided lights. Guest rooms will include exterior custom wrought iron balconies. The buildings will include unique exterior detailing consisting of custom stone, steel and plaster finishes, timber and precast corbel blocks and miscellaneous running trim, adding visual interest, color, depth, texture and dimension to wall surfaces.

The hotel's primary building elements will express themselves as separate but related structures. Approximately 95% of the new hotel will be unnoticeable from the Plaza with the visible part of the building being located where 153 West Napa Street presently exists.

The height and scale of the buildings will be mitigated through the use of "layering" strategies whereby the overall scale of the building is broken down into smaller elements. Layering strategies will include the introduction of appropriately scaled individual components at the street edge and the staggering and sloping of the upper floor plates and third floor roof surfaces back from the street or the Hotel Plaza Courtyard. Steep roofs with dormers will fold over the third story of many of the buildings to minimize the sense of wall height. Other scale reduction strategies will include articulation of the exterior facades with exterior timber arcades, balconies, awnings, recessed entry doors, porches and window seats. The hotel's street frontage and courtyards will include street trees in planters, fountains and other landscaping.

SUSTAINABLE DESIGN/LEED

The hotel will be sustainably designed and LEED Certified.

Sustainable design strategies include:

- Compliance with State of California Cal Green Building Codes

- Sustainable Site Development Strategies
 - Use of Brownfield Site
 - Pedestrian oriented. Encouragement of guests to walk or bike Sonoma
 - Bicycles available to guests for duration of stay
- Water Use Reduction Strategies
 - Water conservation program including low flow fixtures and low water use laundry
 - Rainwater capture, storage and recycle system
- Energy Efficiency and Atmospheric Quality
 - Ample use of natural light
 - High energy efficient mechanical and electrical systems
- Materials and Resource Management
 - Recycled construction waste
 - Sustainably sourced new and recycled materials
- Indoor Environmental Quality
- Innovations in Design

TRASH AND RECYCLING

The Hotel will conform to the recycling requirements of the City of Sonoma. Trash and recycling staging and storage areas are identified on drawing A2.01. Recycling staging will take place in the southern receiving dock of the service core. Trash and recycle storage enclosures will be located adjacent to First Street West in a fully enclosed service building.

PARKING AND DELIVERIES

The Hotel will provide 100% off street parking. Total parking capacity will be 115 spaces managed by a full time valet parking service (refer to the Parking Study and sheets A2.01 and A 2.00). 95 spaces will be located in the basement parking garage, with an additional 20 surface parking spaces provided on site. Parking capacity in the basement parking garage will be maximized through the use of a combination of 90 degree stalls and stacked tandem spaces. The parking plan includes enough spaces for the existing Lynch Building (135 West Napa) and Index Tribune Building (117 West Napa) and its possible future expansion.

Auto key management will be by the valet service. Guests will arrive by car in the Hotel Plaza Courtyard and following check in, the guest's car will be parked by the valet attendant. Upon departure, the guest's car will be delivered to the valet station for pick up. Street side valet parking is proposed during the evenings for restaurant patrons.

Large truck deliveries will be staged from the street on First Street West similar to the way The Red Grape and other Sonoma Plaza businesses currently receive deliveries. Deliveries will be

restricted to off-peak periods to minimize impacts to downtown activities. Small truck or van deliveries will take place inside the basement parking garage at the service core receiving area. Three service elevators are provided in the hotel to efficiently facilitate the vertical transfer of deliveries inside the hotel.

The designation of a truck loading zone on First Street West located adjacent to the hotel garage entry is being requested as part of this Use Permit Application.

STORM WATER MITIGATION PLAN

A preliminary Storm Water Mitigation Plan (SMP) prepared by a Civil Engineer, demonstrating compliance with SUSMP requirements will be provided as part of this Use Permit Application. It has been determined at the time of this application an updated SMP standard ("Draft Phase II Storm Water Permit") has been released by the State Water Board. The applicants understand this project will need to comply with this standard.

DEMOLITION OF EXISTING STRUCTURES

The existing metal warehouse, 153 West Napa Street, site structures and the existing parking lots will be removed and replaced with new buildings or parking areas. The extent of the proposed demolition is indicated on Existing Site and Demolition Plan, A1.02.

REMOVAL OF EXISTING TREES

Mature trees are proposed to be removed for this project. The project will replace every tree removed from the existing site on an one for one basis - either on site or through a City sponsored in lieu payment to support tree planting elsewhere in the city.

An arborist report has previously been provided by the City of Sonoma for this project. The Existing Site and Demolition Plan, A1.02 indicates the general location of the existing trees on the property by size and species, along with an indication of which trees are to be removed.

HISTORICAL SIGNIFICANCE OF 153 West Napa Street Building

The building located at 153 West Napa Street is planned for demolition and recycling as part of this project. Prior to considering the building's removal, the project sponsors engaged the services of Page & Turnbull Architects, historic resource specialists to prepare a Historic Resource Evaluation (HRE) report as part of its due diligence studies for the project.

The HRE provides a summary of previous historical surveys and ratings, a site description, historic context statement, construction chronology and an evaluation of the property's eligibility of listing in the California Register.

The following HRE Summary of Determination states the findings of the Page & Turnbull Historic

Resource Evaluation Report for the 153 West Napa Street Building.

"153 West Napa Street is not listed in the National Register of Historic Places, the California Register of Historical Resources, or the Sonoma League for Historic Preservation Inventory of Historic Structures and is not a Sonoma County Historic Landmark. Furthermore the building does not appear to be part of any known or potential historic district

The significance evaluation in this report demonstrates the 153 West Napa Street does not appear to be individually eligible for listing in the California Register of Historical Resources under any criteria. Although the subject property retains a moderate degree of integrity, it does not possess specific associations with significant events or persons, and lacks the architectural distinction necessary to qualify as a historic resource. Therefore the subject property is not considered to be a historical resource for the purpose of review under the California Environmental Quality Act (CEQA). "

DUE DILIGENCE STUDIES

The following due diligence studies were prepared and will be submitted under separate cover as part of this Use Permit Application:

- Parking Study
- Parking Management Program
- Traffic Study
- Water Conservation Plan
- Storm Water Management Plan (pending)
- Historic Resource Evaluation Study for 153 West Napa Street

ENVIRONMENTAL IMPACT REPORT

Previously the City of Sonoma commissioned an independent, third party, Environmental Impact Report (EIR) for this project. This study will be reactivated.

SPECIFIC PROJECT DATA

Site Parcel Addresses: 153 West Napa Street and 541 First Street West, Sonoma CA

APN's: 18-251-52, 18-251-51 & 18-251-55

Zoning: Downtown District, New Development, Commercial (C) Zone, Historic Overlay District

Setbacks: None required

Building Height: 35' with an additional 5' allowance for HVAC equipment and elevator screening (Section 19.40.040 Sonoma Development Code).

Total Lot Area: 54,000 SF

Allowable Lot Coverage: 100%

Actual Lot Coverage: 26,400 SF - 48.8%

Allowable FAR: Lot area x 2.0 = 108,000 SF

Actual Building Area: 66,933 SF (excludes basement areas) = FAR compliant

BUILDING AREAS

Basement Parking Garage and Ramp: 36,359 SF - Cast in Place Concrete Construction

First Floor: 23,607 SF: Podium Concrete Construction for Three Hour Assembly

Second Floor: 21,938 SF: Type V, mixed occupancies with occupancy separations

Third Floor: 21,388 SF: Type V, mixed occupancies with occupancy separations

Total Hotel Building Area: 66,933 SF (excludes basement garage and ramp)

Open Space: Exterior Courtyards and Patio Areas: 26,962SF (approximately 50% of site area)

Landscape: Perimeter plantings, raised planters and tree wells in exterior courtyards, Auto Court landscape and street trees and street entry planters, second floor roof top garden.

HOTEL OPERATIONAL INFORMATION

Management: Provided by a private professional management entity

Number of Rooms: 59

Number of Hotel Employees: 50 full time, 10 part time

Number of Restaurant Employees: 25 full time, 17 part time

Maximum Number of Employees per shift: 40 employees at maximum shift

Indoor Seating Capacity of Restaurant and Bar: 80

Spa: Six treatment rooms

Hours of Operation: 24/7/365

Shipping and Delivery Schedule: Time defined loading zone on First Street West, Before 11 am 7 days per week.

Outdoor Storage Needs: Covered exterior trash and recycling enclosure located on First Street West

Water Use: Refer to the attached Water Use and Conservation Plan

WAIVER OF RESIDENTIAL COMPONENT

The project requests a waiver from the Commercial Zoning Residential Component's 50% building area requirement per Article II-19.10.020 – B.3, Sonoma Development Code. The basis for this request for waiver is described in the following narrative.

One of the primary objectives of the Sonoma Development Code (Code) is to retain and promote the economic vitality of the Downtown District as a commercial, cultural and civic center which is attractive to residents and visitors. The Code encourages the activation of the downtown area through an increase in pedestrian and customer activity. Development Guidelines for this area includes, "Promote a pedestrian presence by encouraging ground floor retail in commercial development" as well as numerous mentions of "incorporating pedestrian amenities in the design of new development", etc. The pedestrian activity generated from and to the Hotel's lobby, restaurant, bar, guestrooms and spa meet this guideline.

One of the means in which the Code attempts to achieve this is through the requirement that projects in excess of ½ acre devote 50% or their total building area to residential uses as a means of adding more people to the commercial area and thereby increasing pedestrian and customer activity in the Downtown District. Circumstances in which this residential component may be reduced or waived include:

“c. Property characteristics, including size limitations, and environmental characteristics that constrain opportunities for residential development or make it infeasible.”

Based on “c” above, the project requests a waiver from the Residential Component based on the site size and characteristics limits the ability to place residential units on the property base on the following circumstances.

1. A hotel use, in and of itself, does not lend itself to an integrated residential component and the size and configuration of the subject property make it infeasible to integrate a stand-alone residential component separate from the hotel.
2. A residential component would impose size and economic limitations which would make it financially infeasible to develop this project. More specifically, in order to comply with off-street parking requirements, parking takes up virtually the entire basement footprint of the hotel and subterranean expansion of the basement parking garage would be financially prohibitive.
3. The hotel’s normal daily business activities will generate substantial pedestrian and customer activity by hotel guests in the Downtown area consistent with the intent and ambition of the guideline.
4. The hotel’s restaurant and spa will offer ground floor retail commercial development generating customer activity serving local residents in the downtown business district consistent with the Development Code guideline's intent.

PROJECTED ECONOMIC BENEFITS

Local Employment

From the outset of construction through the commencement of hotel operations, the development team will seek qualified local talent to fulfill various employment needs. Approximately 75 full time employees will operate the hotel and restaurant. The hotel’s initial goal is to hire 60% of its employees from the local community.

TOT, Retail and Property Taxes

The Hotel's financial estimates for room occupancy, retail sales and construction activities will

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Hotel Project Sonoma
Sonoma, CA
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provide for substantial direct revenue to the community through Transient Occupancy Tax (TOT), Sales Tax and Property Tax.

TOT/TID Taxes - Initial budgets estimate TOT/TID contributions as follows:

| | |
|-------------|-------------------|
| First Year | \$ 710,576 |
| Second Year | \$ 793,675 |
| Third Year | \$ 853,435 |
| Fourth Year | \$ 879,038 |
| Fifth Year | <u>\$ 905,409</u> |
| TOTAL | \$4,142,133 |

Retail Tax – The estimated retail sales are expected to generate the following sales tax:

| | |
|-------------|-------------------|
| First Year | \$ 235,444 |
| Second Year | \$ 258,455 |
| Third Year | \$ 273,388 |
| Fourth Year | \$ 281,635 |
| Fifth Year | <u>\$ 290,131</u> |
| TOTAL | \$1,339,053 |

Property Tax - The improved property value is estimated to generate approximately \$223,000 of additional property tax per year totaling \$1,115,000 over a five year period.

Total Direct Tax Contribution (First 5 Years) \$6,592,738*

Shared Economic Benefits - For every hotel dollar spent, another \$.60 is spent in the community. Over five years the proposed hotel is estimated to generate approximately \$30 million in additional community spending.*

** (Tax estimates are over a five-year period. Source: Kenwood Investments LLC. Additional spending estimates are over a five-year period. Source: 2001 Michigan State University Dissertation on tourism spending impact).*

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