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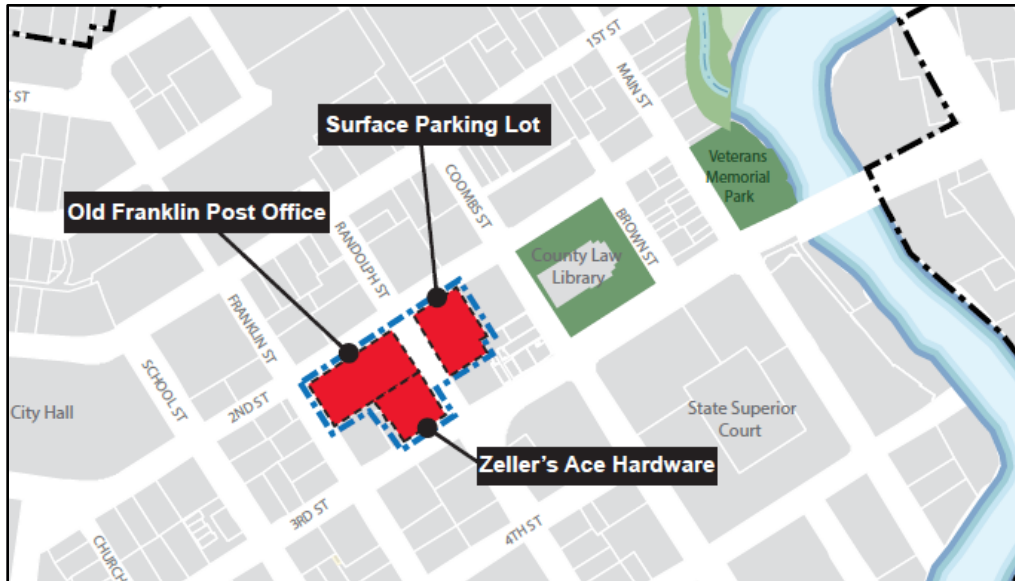
**PLANNING COMMISSION STAFF REPORT
OCTOBER 18, 2018**

AGENDA ITEM 7.A. File No. 17-0090 **FRANKLIN STATION HOTEL PROJECT**

I. GENERAL INFORMATION

PROJECT SUMMARY:	General Plan Amendment, Specific Plan Amendment, Zoning Amendment, Planned Development Overlay, and Development Agreement to facilitate redevelopment of the Franklin Station Post Office building into a future hotel and associated retail uses and to construct a new parking garage	
LOCATION OF PROPERTY:	1351 Second Street, 819 Randolph Street & 1251 Second Street APN 003-208-001, 003-208-002 & 003-212-001	
GENERAL PLAN:	Existing: DP, Downtown Public & DMU, Downtown Mixed Use Proposed: DMU, Downtown Mixed Use (1351 Second Street only)	
ZONING:	Existing: DP, Downtown Public & DMU, Downtown Mixed Use Proposed: DMU, Downtown Mixed Use (1351 Second Street only)	
APPLICANT:	James F. Keller 1351 Second Street LLC 1455 First Street, #217 Napa, CA 94559	Phone: (707) 927-4280
STAFF PLANNER:	Erin Morris, Planning Manager	Phone: (707) 257-9530

LOCATION MAP



II. PROJECT DESCRIPTION

The proposed project is intended to facilitate the redevelopment of the earthquake damaged Franklin Station Post Office building at 1351 Second Street. The proposed rehabilitation includes conversion and reuse of a portion of the historic structure into a hotel with a maximum room count of 163 rooms. The proposed hotel building, which has not yet been designed, would include associated amenities such as a restaurant, spa, and retail space. If the proposed project applications are approved, the Applicant intends to partner with an experienced hotel developer to design, construct, and operate the future hotel building.

In addition to the Post Office property, the project site also includes two nearby properties. The hotel structure would be constructed on both the Post Office and the adjacent Zeller's Ace Hardware site located to the south at 819 Randolph Street. The property owner of 819 Randolph entered into an agreement with the Applicant to sell the property. Required parking for new land uses would be located within a new automated mechanical parking structure on the existing 55-space City-owned surface parking lot at Randolph and Second Street across the street from the hotel. The parking structure would replace the surface spaces and provide public parking (65 public parking spaces to replace the existing 55 spaces) and sufficient additional parking to meet parking requirements for new hotel uses and an approximately 7,000 square foot retail space intended to activate the garage's street frontage.

Requested approvals include a General Plan Amendment, Specific Plan Map Amendment and Appendix G Historic Resources Design Guidelines Amendment, Zoning Amendment, Planned Development Overlay, Development Agreement, and Certificate of Appropriateness. As part of the City's review and final action on the requested approvals, environmental review has also been conducted. The Certificate of Appropriateness for the Specific Plan Appendix G Historic Resources Design Guidelines Amendment will be reviewed by the Cultural Heritage Commission at a separate, noticed public hearing. It is anticipated that Design Review applications for the hotel and parking structure along with

a Certificate of Appropriateness for the hotel would be filed and reviewed within 24 months of Planned Development/Development Agreement approval. If the project ultimately includes accessory uses that require land subdivision a Tentative Map would also be required.

In summary, the proposed actions are:

General Plan Amendment – The proposed General Plan Amendment would change the existing designation of the Post Office parcel from DP, Downtown Public to DMU, Downtown Mixed Use. The amendment is limited to the Post Office parcel because the Zeller parcel and parking lot parcel are already designated DMU.

Zoning Amendment – A Zoning Amendment would change the Post Office parcel from DP, Downtown Public to DMU, Downtown Mixed Use, consistent with the proposed General Plan Amendment.

Specific Plan Amendment – A Specific Plan Amendment would change Figure 4-1 of the Downtown Specific Plan to reflect the proposed DMU land use and would replace Pages 116 and 117 of the Downtown Napa Historic Resources Design Guidelines with new pages to allow implementation of the historic rehabilitation project that is now required to preserve the building after the 2014 earthquake. The new Historic Standards, which are also referenced in the Planned Development Overlay, are intended to meet the intent and goals of the Downtown Specific Plan Historic Design Guidelines by applying specific requirements related to protection of the Franklin Station building's "significant historic features" and to the additions and alterations necessary to facilitate adaptive reuse.

Planned Development Overlay – The proposed Planned Development Overlay of the three project parcels includes a PD, Planned Development Overlay District that would establish specific use provisions, specific development standards, design guidelines, and height limitations. The PD would allow the development of up to a 163-room hotel with accessory uses in coordination with the rehabilitation of the National Register of Historic Places defining features of the Post Office structure, which includes the Second Street building frontage and interior lobby.

Development Agreement – The proposed Development Agreement would facilitate rehabilitation and reuse of the most historically significant component of the Franklin Station post office building. The agreement would grant a vested right to the developer in accordance with the project approvals, including the General Plan Amendment, Specific Plan Amendment/Zoning Amendment, and the Planned Development Overlay for a specified term provided that the developer complies with specified timing requirements for completing the design and construction of the proposed project.

Certificate of Appropriateness – The Certificate of Appropriateness, which is part of the project applications but not subject to the Planning Commission's review, involves review of the proposed new Historic Resources Design Guidelines. As noted above, the Cultural Heritage Commission will review the Historic Standards separately and will provide its recommendations to the Council, who will also consider Planning Commission recommendations on other project components.

III. PROJECT CONTEXT AND BACKGROUND

The Franklin Station Post Office, which was added to the National Register of Historic Places on January 11, 1985, was designed in the Art Deco style by Architect William H. Corlett and built in 1933. The building experienced significant damage as a result of the 2014 South Napa Earthquake. Because of the extensive earthquake damage, the Postal Service relocated across the street and planned to demolish the building noting that it would cost \$8 million to repair quake damage while it would cost only \$500,000 to demolish it. In June 2015, significant local efforts to save the building were successful and the Postal Service agreed to stop pursuing demolition and instead pursue the sale of the property. After several failed attempts to sell the building, the Applicant, Jim Keller, agreed to purchase and rehabilitate the property.

In February 2017, the City of Napa and the Applicant entered into an “Agreement of Purchase and Sale and Joint Escrow Instructions, C2017-037,” to allow the Applicant to acquire the City surface parking lot located at the southeast corner of Randolph and Second Street across the street from the Franklin Station site for the specific purpose of providing parking to serve the proposed hotel. The Agreement provides that upon approval of the necessary entitlements and final design of the hotel, the City would transfer the City-owned surface parking lot to the Applicant.

The project site is within the core of Downtown Napa, bounded on the north by retail and office uses across Second Street, to the east by a surface parking lot and retail use across Randolph Street, on the south by the adjacent Uptown Theatre and retail uses and the Presbyterian Church across Third Street, and on the west by office and retail uses across Franklin Street. Existing land uses in the vicinity of the project site include a variety of retail stores, offices, restaurants, services and visitor attractions.

Development Agreement

The Project includes a Development Agreement between the City of Napa and the Applicant (Attachment 9). A Development Agreement is a contract between the City and a developer that authorizes the type and amount of development that would occur on property within a specific period of time. Development Agreements typically provide developers with vested development rights in exchange for providing the City with certain public benefits. A Development Agreement must comply with the General Plan, but may establish different development standards than provided by conventional zoning regulations.

IV. ANALYSIS

A. GENERAL PLAN AND ZONING

The Post Office property has a General Plan and Zoning designation of Downtown Public (DP) reflective of its public use. The primary intent of this land use designation and zoning district is to provide for public and quasi-public uses dedicated to community-serving purposes such as government offices and related community service facilities.

The application proposes a General Plan Amendment and Zoning Amendment of the Post Office property from Downtown Public (DP) to the Downtown Mixed Use (DMU) land use designation and zoning district similar to surrounding property. The DMU land use designation and zoning provide for retail uses; administrative and other offices; institutional, recreational, entertainment, arts and cultural uses; and hotels and conference facilities that strengthen Downtown's role as the community's center. The two other properties included in the application (Zeller's ACE hardware and City parking lot property) are already designated DMU and therefore do not require an amendment.

In order to support approval of the requested General Plan Amendment, the Planning Commission must find that the proposed Amendment is in the public interest and that the application is internally consistent with other goals, policies and programs of the General Plan. The Commission may find that this request is in the public interest and consistent with the General Plan for the following reasons:

- The parcel and building designated as Downtown Public suffered significant earthquake damage and subsequently were sold to a private party by the Federal Government because the building could no longer be used for public service uses. As such, the future use of the now privately-owned site and building would no longer be consistent with the intent and purpose of the Downtown Public designation.
- The Amendment will preserve the most significant part of a National Register building and allow for the conversion of the building to a new active use consistent with historic preservation policies that encourage owners of historic resources to preserve or upgrade historic properties by improving their economic viability.
- The parcel is not identified in the City's General Plan Housing Element as a future housing site and therefore re-designating the site as DMU for commercial uses will not affect the supply of land needed to accommodate the City's fair share of the regional housing needs.

The proposed General Plan Amendment would be consistent with General Plan Goal LU-5, which seeks to encourage attractive, well located commercial development to serve the needs of Napa residents, workers, and visitors. Applying the adjacent Downtown Mixed-Use land use designation and zoning would facilitate the future hotel and parking garage development.

Land Use Element

One of the fundamental goals of the Land Use Element for Downtown Napa is to "Improve the vitality and character of Downtown through planning, design, business-community partnerships and City programs and projects that encourage a variety of social, entertainment, cultural, retail, administrative and governmental uses." To help achieve this goal, the Land Use Element includes a series of policies, three of which are listed below followed by Staff's analysis:

LU-1.3 The City shall recognize downtown as an important asset of the city and seek

to strengthen and revitalize it.

The proposed hotel building is located in the heart of Downtown and has been designed to capitalize on views and amenities of the City. The design guidelines developed to guide design of the future development promote balconies and a rooftop terrace which will encourage various activities in the Downtown creating vibrancy and revitalizing the space from its current conditions limited to parking and an earthquake damaged vacant building.

LU-6.1 The City shall require retail and commercial uses to orient to the sidewalk or public spaces and to maintain an active street frontage in the pedestrian-oriented parts of downtown.

The design guidelines encourage the development to maximize opportunities to engage pedestrians and encourage an active and vibrant street front. The proposed parking garage may include a 7,000-square foot retail space to also activate the street-front encouraging pedestrian connectivity along the block and a variety of land uses.

LU-6.5 The City shall provide for development of hotel and conference facilities in the downtown area. The City shall encourage any hotel developer to tie the facility to downtown and riverfront restoration through physical improvements and joint promotional involvement.

The proposed hotel allows for the preservation of a unique, historic building that will contribute to the diversity of hotel facilities in Downtown Napa.

Economic Development Element

One of the fundamental goals of the Economic Development Element for Napa is “[t]o help local businesses capture visitor dollars that are not currently finding their way to the City of Napa, thereby increasing revenue to local businesses and the City.” Napa is blessed with many amenities such as its natural beauty, small town atmosphere, and distinguished agricultural industry which attract visitors to the area. The provision of diverse lodging opportunities helps to strengthen the Downtown allowing for people to park and walk, enjoy retail and services, and support the economy which provides community benefits such as improved downtown streetscapes (e.g., street cleaning, planted hanging baskets, increase public safety, etc.). To help achieve the goal listed above, the Economic Element includes a series of policies, two of which are listed below followed by Staff analysis:

ED-4.1 The City shall continue to promote the city of Napa as a visitor destination and to develop stronger links to regional and national tourist markets.

ED-4.4 The City shall promote and facilitate hotel development within the city limits, particularly in Downtown. The City’s hotel development strategy shall encompass a variety of lodging types to meet the needs of the diverse visitor market attracted to the Napa Valley. The City should specifically promote hotel development that includes meeting facilities for small conferences.

The proposed development is consistent with the two policies above as the hotel development will improve the vitality and character of downtown by providing additional lodging opportunities and small conference facilities for downtown visitors.

The Economic Development Element also includes additional policies relevant to this Project:

ED-1.3 The City shall support the preservation and rehabilitation of existing historic structures for commercial use.

ED-1.6 The City shall provide incentives for private reinvestment in underutilized commercial areas where adequate infrastructure exists.

B. SPECIFIC PLAN AMENDMENT / ZONING AMENDMENTS

The current Downtown Specific Plan land use designation of the Franklin Station property is Downtown Public. The Applicant proposes a Zoning Amendment and Specific Plan Amendment to the Downtown Mixed-Use designation to reflect the new hotel and associated uses and to reflect discontinuation of the site's previous public service use. The proposed Amendment would make the project site consistent with the surrounding properties and facilitate the redevelopment and reuse of the site with new, vibrant uses.

The Specific Plan Amendment would change Figure 4-1 of the Downtown Specific Plan to reflect the proposed DMU land use and would replace Pages 116 and 117 of the Downtown Napa Historic Resources Design Guidelines with new pages to allow implementation of the historic rehabilitation project that is now required to preserve the building after the 2014 earthquake. The new Historic Standards, which are also referenced in the Planned Development Overlay, are intended to meet the intent and goals of the Downtown Specific Plan Historic Design Guidelines by applying specific requirements related to protection of the Franklin Station building's "significant historic features" and to the additions and alterations necessary to facilitate adaptive reuse.

C. DOWNTOWN SPECIFIC PLAN POLICIES AND DEVELOPMENT STANDARDS

The project site is located within the Downtown Specific Plan boundary. The goal of the Specific Plan is to revitalize Downtown Napa into a vibrant place where residents and visitors alike come together to work, live, play and actively engage in the community. People should be able to pursue a range of activities, such as shopping at local boutiques, eating in restaurants that open onto the sidewalk or public gathering places, attending markets and festivals, and listening to live music and engaging in other entertainment. Downtown hotels are among the broad range of uses contribute to the vision of Downtown Napa into a 24-hour destination for locals and visitors alike.

Several overarching land use policies provide the framework for the different districts in the Downtown. These policies direct and locate allowed uses in a deliberate and consistent manner. The policies encourage activity on the streets, promote gathering in public places, and attraction of more shops and businesses in new and redeveloped buildings, as well as in existing historic structures in Downtown.

To help achieve these goals, the Downtown Specific Plan includes the following policies that are applicable to the proposed development:

- *Revive Downtown as the primary job center in Napa. Promote the role of Downtown as the primary place where civic buildings are concentrated and where people come together to enjoy public art and culture, open spaces, and public facilities.*
- *Build on Napa's inventory of historic structures to set the tone for Downtown design.*
- *Reuse, rehabilitate and restore buildings and/or building elements wherever practical and feasible.*
- *Promote the concentration of activity generating uses in the core area of Downtown, including retail shops, offices, commercial services, restaurants and entertainment venues.*
- *Place priority on high-quality design and developing unique structures that complement their surroundings, orienting buildings and entrances to streets and public gathering places.*

The Franklin Station Hotel Project is consistent with these policies above in that the hotel will provide a pedestrian and visitor-oriented use within a historic building that has been vacant for more than four years. While the detailed design of the hotel (e.g., architecture, mass, scale, etc.) will be determined through a subsequent Design Review process, the proposed Design Guidelines for the new buildings will help ensure that the unique hotel implements the vision of the Specific Plan.

The project site is located within the Downtown II Building Form Zone, which is an overlay zone that regulates and governs basic physical development of land such as height, setbacks, and development intensity. The zone was created to ensure that future development is appropriate in its neighborhood context. The Downtown II zone allows medium to high density development designed to be complementary to the uses located in the Downtown I zone in the core of the Downtown (First Street Napa).

The Downtown II zone provides for a maximum front setback (on Second Street) of 15 feet and does not require rear or side building setbacks. Building height is limited to 60 feet as measured from the ground to the mid-point of a pitched roof, or to the parapet of a flat roof. Special design features may extend beyond the height limit, including architectural elements such as steeples and towers.

The following table lists the development criteria for the Downtown II Building Form Zone:

Maximum Building Height	60 feet	In Downtown II, building height is measured from the ground to the mid-point of a pitched roof, or to the parapet of a flat roof. Special design features may extend beyond the height limit, including architectural elements such as steeples and towers.
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Front Setback	0 feet 15 feet maximum	There are no required front, side or rear setbacks. This pattern is consistent with a traditional downtown where buildings are built up to the property line and sit side-by-side. The guidelines in Chapter 5 – Design Guidelines provide guidance for designing buildings to have an active street presence.
Side Yard / Setback	0 feet	
Rear Yard / Setback	0 feet	

The proposed Design Guidelines developed for the hotel building and parking structure recognize the maximum building height of 60 feet, with the additional height limit exclusion for the hotel building, discussed below.

D. PLANNED DEVELOPMENT OVERLAY DISTRICT

The purpose of a Planned Development Overlay District is to "encourage high quality, innovative and creative development design, and possibilities for varied or mixed uses consistent with the General Plan, by allowing flexibility in underlying zoning standards" and to "provide a mechanism for preservation of open space, natural or historic features while continuing to permit the efficient use of land."

The PD Overlay District provides for variations to the underlying principal district regulations and standards, excluding density and Floor Area Ratios (which are established by the General Plan). The PD Overlay District may also shift uses in the underlying principal zoning district between conditional and permitted use categories.

The regulations and standards established by the proposed PD Overlay District are an alternative to the regulations of the underlying district, and in the event of a conflict between the two, the provisions of the PD District would apply. Where the PD does not specifically modify the zoning standards of the underlying principal district, the regulations and standards of the principal district would remain in force.

The proposed PD Overlay District would help to encourage vibrant and active uses on the project site. The PD Overlay District would shift the following "conditional" uses of the DMU District to "permitted" uses to facilitate the development of the proposed hotel:

1. Hotel Use - Hotel development is a "conditional permitted use" in the Downtown Mixed Use (DMU) District. The proposed PD Overlay would allow up to 163 hotel rooms as a "permitted use" subject to provision of parking in compliance with the Zoning Code. Hotel development on the subject site, with the associated parking garage, would facilitate the principal goal of the DMU to reinforce Downtown's identity as a compelling place for shoppers and visitors. Staff believes that a hotel with ancillary retail development can be found consistent with the intent of the DMU to provide a mix of land uses (i.e., shops, restaurants, hotels and entertainment in

designated areas) that will draw people Downtown during the day, evening and on weekends. Elimination of the use permit requirement would streamline hotel development and would affirm that the proposed hotel use, subject to design review and compliance with the site-specific Design Guidelines, will be compatible with and would not cause any adverse impacts to adjacent uses.

2. Condo-Hotel Units – The proposed PD Overlay would allow up to 25% of the approved hotel rooms to be Condo-Hotel units, as defined by NMC section 17.06.030, as a permitted use provided that prior to building permit issuance, the owner has executed the documents required by NMC 17.52.095(D)(1) and (2), and the Project satisfies the requirements of NMC 17.52.095(E). Condo-hotel units are individually owned units where the ownership is structured as a condominium or similar financial relationship but operated as a hotel unit. Unit owners are allowed to use the unit no more than 14 days per calendar year per unit unless a use permit is obtained to allow additional days of use. No unit may be rented to any person(s) for more than 30 consecutive days. Condo-hotel units are not considered residential units.
3. Whole Ownership Hotel Units – The proposed PD Overlay would allow up to 25% of the total hotel units to be accessory whole ownership dwelling units, known in the hotel industry as “branded residential.” The units are owned by third parties and could be used as residences or rented as hotel rooms at the election of the owner through a contractual relationship between the hotel operator and the owner. Under this contract, if they are rented as hotel rooms, the hotel operator would manage the rental as it would any of its other hotel rooms, and if they are used by the owner for residential occupancy, they would be occupied by the owner with services and amenities provided by the hotel. Whole ownership dwelling units would be considered accessory uses to an approved hotel use.

While Napa does not have any of these units, accessory whole ownership dwelling units are allowed by the Napa Municipal Code at the Stanly Ranch Resort by the Stanly Ranch Resort Master Plan under Chapter 17.30 of the Napa Municipal Code (see Section 17.30.040.B.3). If condo-hotel or whole ownership dwelling units are included in the hotel unit mix, a Tentative Map would be required and would be processed concurrently with the Design Review and any other entitlements. Prior to approval and recording of a final map, the project developer would be required to provide documents satisfactory to the Community Development Director and City Attorney and satisfying the requirements of Section 17.52.095E(5), (6) and (7) recorded such documents to ensure the long term maintenance and to govern any transient occupancy operations of the whole ownership units.

4. Food Service / Cocktail Lounge / Business open after 11:00 – The proposed PD would allow restaurants, lounges, and bar areas to remain open after 11:00 and utilize any portions of the dining areas within the restaurant and any rooftop bar area for lounge use during late night hours as a permitted use. A restaurant containing a lounge/bar area that exceeds 20% of the customer floor area and/or is open after 11:00 PM typically requires approval of a Use Permit.

5. Rooftop Height Exclusions – The proposed PD would allow certain rooftop features such as patios with food and bar service to exceed the height limit provided that such features are accessory to the main use of the site and are setback to minimize visibility from the street.

A comparison of the existing and proposed uses for the Planned Development Overlay can be found in the land use table included as an exhibit to Attachment 3.

E. PARKING

The project site is located within the Parking Exempt Overlay District. While new hotel uses are required to provide parking, new non-hotel uses such as a restaurant or spa associated with the hotel and the 7,000 square feet of commercial space within the parking structure would be exempt from providing parking and would instead pay a fee in-lieu of providing parking. The Development Agreement provides that while the retail, restaurant and related portions of the parking may be satisfied through payment of the City's Downtown Parking Impact Fee, the project developer shall be required to prepare and present to City for approval a parking plan prior to opting to pay the Downtown Parking Impact Fee. Review of the specific project design and parking plan would occur at the Design Review stage of the Project.

The Applicant proposes to construct a mechanical parking structure at 1251 Second Street to replace 55 of the existing public surface parking spaces with 65 public parking spaces and to provide parking for the new hotel use. The requirement to construct the garage and to replace and augment existing public parking is addressed in both the purchase and sale agreement approved by the Council and the proposed Development Agreement. While the Project's final parking requirement will be determined at the time of Design Review when the final hotel room count is determined along with other uses, the Applicant provided a conceptual plan demonstrating that the parking garage could accommodate at least 228 mechanized parking spaces.

Hotels are required to provide one parking space per sleeping room, plus one space for the manager and one space for every two employees, even when the site is located in the Parking Exempt Overlay District, as is the case for this Project. If the hotel developed at the maximum allowed room count, approximately 200 parking spaces would be required and with the required 65 public parking spaces there may not be sufficient space in the planned garage. However, it is important to note that mechanized parking technology is evolving and that there are various ways to include more parking in the garage and/or reduce the number of hotel rooms.

The ultimate number of hotel rooms will be determined through the Design Review process. At that time, the Development Agreement requires the Applicant to provide parking for the hotel use and the public parking, and to provide a Parking Exempt Impact Fee and parking plan to accommodate any potentially parking exempt parking that is not accommodated in the parking structure or on-site. During future Design Review, to meet the amount of parking required to be built under the Development Agreement, the Applicant could address parking through one or more of the following options:

1. The number of hotel rooms could be less than the maximum allowed (163 rooms) to accommodate the 65 public spaces and required hotel parking;
2. The conceptual parking structure design could be modified by reducing the amount of space dedicated to the retail space and using that area to increase parking;
3. The design of the conceptual parking structure could be modified to allow for additional parking spaces by placing parking underground with the proposed lift system, or by utilizing other new parking technologies;
4. Hotel parking could be provided on the Franklin Station site (under or within the new hotel building) or at an alternative location within an appropriate distance of the hotel building as approved by the City; or
5. A combination of the above.

The parking requirements for the development and specific proposal to meet the requirements of the Development Agreement and parking demand will be known at the time of Design Review when the design is proposed along with the parking plan and garage design. The final parking plan consistent with the Development Agreement requirements will be subject to Planning Commission approval at the Design Review stage.

F. CULTURAL HERITAGE COMMISSION

The Franklin Station building is listed on the City's Historical Resource Inventory (HRI) as a local landmark building and has been assigned a California Historical Resource Status Code (CHRSC) of 1S and 5S1 (listed on the National Register and the California Register) and listed as a local landmark. The Franklin Station building experienced considerable damage as a result of the South Napa Earthquake. Because of the extensive damage, the Postal Service determined it was no longer feasible to retain the existing Postal Service use on the site and relocated across the street initially proposing to demolish the historic building. Ultimately, the property was sold to the Applicant with the intent of restoring the historic façade.

A 2015 National Register of Historic Places (NRHP) review of the structure determined the following:

The earthquake damage affected the property's interior architectural integrity with regard to the aspect of materials. The materials of the interior at the east and west sides of the lobby have been severely compromised. Materials such as terracotta, marble, and brick were damaged, broken, and dislodged at the interior ends of the building. The central areas of the lobby's interior have less damage to the historic character defining features as the east and west sides of the building. Overall, the amount of materials lost is insufficient to result in diminished integrity of the building's interior great enough to impact the building's historic status. This amendment determines that the 2014 earthquake damage did not significantly affect the property's exterior architectural integrity of design,

workmanship, materials, and location. The property continues to meet Criterion C for listing in the National Register because the qualities which caused it to be originally listed are still conveyed.

Based on the information in the amendment, the Napa Landmarks and the United States Postal Service, with consultation with the California State Historic Preservation Officer, developed a Preservation Covenant. That document was completed in consultation with Keller prior to the building's sale, and the Preservation Covenant recorded with the quitclaim deed on March 6, 2017. In addition to providing guidance, process and restrictions on the building's preservation, the Preservation Covenant is intended to mitigate impacts to the Significant Historic Features of the Historic Building, as it exists after the earthquake and removal of the post office use.

The Cultural Heritage Commission (CHC) will be reviewing a Certificate of Appropriateness to authorize the renovation of the Post Office building and recommended adoption of revised Historic Resource Design Guidelines to govern the reconstruction of the Franklin Station building. The specific historic resources objectives for the Project can be found in Attachment 7 to this report and would replace the guidelines currently shown in Appendix G (pages 116 & 117) of the Downtown Specific Plan.

The amendment to the Historic Resources Design Guidelines is based on information and analyses in the pre-earthquake guidance from the existing Downtown Napa Historic Resources Design Guidelines, the subsequent post-earthquake National Register Amendment and the Preservation Covenant, the Secretary of the Interior's Standards for Rehabilitation, and the related environmental review required under CEQA. The Preservation Covenant was the guiding influence in the development of the proposed historic guidelines that must be met in the future Design Review of the hotel restoration.

The Project would include the removal of approximately four-fifths of the Franklin Station structure from the site, leaving the identified historic features of the building front to a depth equal to and inclusive of the depth of the existing interior lobby, and new construction. The new construction would include adaptive reuse and rehabilitation to the remaining Franklin Station building through an addition to the retained portion of the building located behind the structure. The addition would be allowed to be taller than and wider than the resource, up to the City height limits and property setbacks and consistent with the proposed design guidelines which would govern the renovation.

G. TRAFFIC

Traffic that will result from the Project was analyzed in a traffic impact analysis prepared by Kimley-Horn and Associates Inc., dated May 17, 2018. The study analyzed traffic conditions in the vicinity of this project site in Downtown Napa. The study was intended to provide specific information to augment the analysis contained in the original traffic study and Environmental Impact Report prepared for the Downtown Napa Specific Plan (DNSP). The analysis reviewed trip generation characteristics and potential changes in existing and future traffic operations associated with the Project.

The analysis concluded that the Project would result in fewer trips than the existing and previous land uses developed on the project site as analyzed in the DNSP Environmental Impact Report (EIR). Therefore, the Project would have a net decrease in trips in the area. The study also concluded that the Project is anticipated to generate fewer daily and peak period trips than the land uses permissible in the DNSP and fewer than the baseline conditions analyzed in the DNSP EIR. Therefore, the project will not result in any additional traffic impacts beyond those identified in the DNSP EIR.

The traffic study also analyzed the proposed condo-hotel and whole ownership units and concluded that these potential project components would generate fewer daily and peak period trips than the land uses permissible in the DNSP and fewer than the baseline conditions analyzed in the DNSP EIR.

H. DESIGN GUIDELINES

In addition to the site specific Historic Design Guidelines (Appendix G) discussed above under the Cultural Heritage Commission discussion, the Downtown Specific Plan contains general design guidelines that are applicable to all properties. The intent of the DNSP Guidelines is to provide a framework for alterations to existing buildings and new development. Design guidelines are not intended to be rigid or inflexible, but rather guide improvements. Although every project in Downtown is reviewed for consistency with these guidelines, the City also encourages creative solutions to design challenges and designs that are high quality.

The proposed Planned Development Overlay District includes specific design guidelines (Attachment 6) for use by the future developer and City in designing and reviewing the future hotel building and garage structure. These design guidelines establish the framework for a comprehensive program that supports the historic preservation elements of the former post office with new design elements that promote Downtown Napa as a vibrant place for both visitors and residents.

The design guidelines below are intended to be additive to the guidelines contained in the Downtown Napa Specific Plan, including the Historic Design Guidelines in Appendix G, and to the site-specific guidelines developed for the hotel and parking structure:

- *The hotel building should relate to the street and surrounding neighborhood with design elements that activate the street and provide a pleasant pedestrian experience.*
- *Select building materials, architectural details and finishes should convey a sense of permanence. Quality materials should be used to withstand the test of time regardless of architectural style.*
- *Non-historic elevations of the hotel building shall provide high quality, durable materials and attention to detail. Buildings shall provide a human scale and facilitate pedestrian activity. Pedestrian oriented features, such as outdoor seating, are encouraged to enliven the public realm.*

- *Entries should be substantial and well-detailed. Doors should match the high-quality materials and character of the window design.*
- *The hotel building shall be enhanced with architectural elements such as porches, stoops, bay windows, balconies, eaves, brise-soleil, or massing articulation at the non-historic building corners. Façade materials shall turn the corner to employ the same vocabulary of materials.*
- *Corner buildings shall have consistent material treatments on front and exposed side facades.*
- *Frame south-facing and southwest-facing windows with protruding vertical or horizontal shading devices such as lintels, sills and awnings to provide adequate protection from glare. Windows and doors with real mullions are required to create shade and shadow (i.e., no inserts or mullions set inside the glass).*
- *Break up the mass of the hotel building with articulation in form, architectural details, and changes in materials and colors.*
- *Incorporate architectural elements and details, such as adding notches, grouping windows, adding loggias and dormers, varying cornices and rooflines.*
- *Vary materials and colors to enhance key components of a building's façade, such as with window trim, entries and projecting elements.*
- *The Third Street elevation should emphasize and feature a welcoming main entrance and be designed according to simple and harmonious proportions in relationship to the overall size and scale of the building. Ensure that the pedestrian entry provides shelter year-round.*
- *The hotel building shall provide entrances and entry approaches from Second and Third streets that can accommodate persons of all mobility levels.*
- *Service and maintenance areas should be accessed from interior drives or corridors, but where necessary fronting on a public street they shall be set back and screened from public view to provide a quality pedestrian experience.*
- *Areas should be accessed from interior drives or corridors, but where necessary fronting on a public street they shall be set back and screened from public view to provide a quality pedestrian experience.*
- *Balconies and decks should be well detailed with high quality, durable materials and attention to the method of joinery.*
- *Special attention should be paid to the first three floors of the hotel building to maximize opportunities to engage the pedestrian and enable an active and vibrant street front.*

- *Hotel balconies up to six feet in depth are encouraged and can be either recessed or protruding. Where Juliet balconies are proposed, the windows behind the balcony shall be full length to convey the appearance of doors.*
- *The hotel building should be designed without large uninterrupted expanses of wall surface. Where 15 feet or more of windowless wall is found to be unavoidable, eye-level displays, a contrast in wall treatment, outdoor seating, and/or planting shall be used to enhance visual interest and pedestrian area vitality.*
- *Awnings are recommended along street frontages, particularly where there are doorways.*
- *The hotel building shall utilize architectural elements such as cornices, lintels, sills, balconies and awnings to enhance building façades.*
- *The shape, size, color, and material of projections for shade protection should be consistent with the architectural style/character of the building. The minimum dimensions of awnings should be consistent with the width of the glazing.*

Parking Structure Guidelines

- *Retail space in the parking structure shall incorporate recessed entries. The depth of recessed entries shall be proportional to the size of the entrance.*
- *The parking structure facades should complement nearby buildings by incorporating architectural elements (e.g., window and door design, varied building materials, decorative treatments, etc.) to provide visual interest and a strong urban form.*
- *Retail space in the parking structure shall incorporate recessed entries. The depth of recessed entries shall be proportional to the size of the entrance.*
- *The exterior walls of the parking structure provide an opportunity for public art, murals, or other creative way to enhance the City's sense of place.*
- *The parking structure should vary and articulate the building façade to add scale and avoid large monotonous walls.*
- *Create safe walkways and visual connections to the parking structure. Provide ample lighting in and around the parking structure to enhance safety.*
- *Access points to the parking structure should be as unobtrusive as possible and should not detract from the pedestrian orientation of Downtown.*

The specific design guidelines developed for the hotel and parking structure (Attachment 6) provide private realm guidelines through text and images that define the desired quality of architecture and character of the future development.

I. DEVELOPMENT AGREEMENT

The proposed Development Agreement would lock in the General Plan designation, Specific Plan and Zoning Ordinance to DMU providing to the City certain public benefits such as rehabilitating the earthquake damaged Franklin Station Post Office building and providing increased public parking in exchange for allowing construction on the Franklin Station and Ace Hardware parcels a five-story, maximum 163 room hotel with ancillary retail and service related amenities. The automated parking structure would not exceed 60 feet in height and would include 7,000 square feet of ground floor commercial space for a possible retail or service use (e.g., gallery, restaurant, etc.). In exchange for providing the Applicant and future developer with certainty about allowed future land uses by making permitted in the Planned Development Overlay District a hotel use and certain physical land use requirements (e.g., allowable height, setbacks, etc.), the City would be assured that the reuse of the historic building and construction of a new parking garage with additional public parking spaces would occur in a timely fashion prior or commensurate with the opening of the new hotel.

J. PUBLIC ART

Under the terms of the Development Agreement, while historic rehabilitation projects the hotel project is exempt from the City's public art requirements as a historic rehabilitation project. However, the Applicant will make a \$25,000.00 public art contribution payment to City at the time of building permit issuance for the hotel project and the Applicant will be required to provide public art or make a 1% public art contribution in connection with the parking garage development.

K. ENVIRONMENTAL REVIEW

The project is subject to environmental review under the California Environmental Quality Act (CEQA). An Addendum to the Downtown Specific Plan Environmental Impact Report ("DNSP EIR") has been prepared to analyze the site-specific impacts of the Franklin Station Hotel Project including the impacts to cultural resources, such as the Post Office Building, relative to the impacts analyzed in the DNSP EIR, which was certified upon approval of the Downtown Specific Plan. The DNSP EIR requires implementation of Mitigation Measure 4.D-1 which states that in order to reduce project-specific impacts to a less-than-significant level:

"The City shall require that any future development under the Specific Plan meets the intent and goals of the City of Napa Downtown Historic Design Guidelines. This includes any project that would alter historic resources or would be constructed adjacent to a historic resource."

The Addendum concludes that with incorporation of the measures described above into the Project design, the Project will meet the intent and goals of the City of Napa Downtown Historic Design Guidelines. Therefore, with the implementation of Mitigation Measure 4.D-1, impacts to historic architectural resources are reduced to a less-than-significant level. In order to ensure compliance through the construction process, prior to the issuance of any construction or building permit, including demolition, that would potentially impact the

integrity of the Historic Building, plans shall be reviewed by a qualified historical architect. The potential impacts of the proposed alteration have been reviewed by Preservation Architecture (*Napa Franklin Station, Napa Historic Resource Summary & Project Evaluation*, report dated August 17, 2018) which concluded that the Project is consistent with the Secretary of the Interior's Standards for Rehabilitating Historic Buildings and thus will not cause a substantial adverse change in the significance of this resource, in accordance with Section 15064.5(b)(3) of the CEQA Guidelines.

As described in the Traffic section above, potential traffic impacts were determined to be less than significant based on a comparison of the traffic in both the baseline and anticipated development in the Specific Plan EIR.

V. REQUIRED FINDINGS

The Planning Commission's decision regarding this project is subject to the required findings established in Chapter 10 of the General Plan for General Plan Amendments, NMC Section 17.66.080 relating to Zoning Amendments, and NMC Section 17.42.050 relating to the Planned Development Overlay. These findings are provided in the draft resolution and ordinances attached to this Report and listed below. Staff believes that the proposed project complies with these findings and the attached resolution and ordinances contain the basis for this recommendation.

ATTACHMENT 1	A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AMENDING THE CITY OF NAPA GENERAL PLAN DESIGNATION FOR THE PROPERTY AT 1351 SECOND STREET FROM THE DESIGNATION "DOWNTOWN PUBLIC" TO THE DESIGNATION "DOWNTOWN MIXED USE"
ATTACHMENT 2	ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AMENDING THE ZONING MAP ESTABLISHED UNDER §17.04.050 OF THE NAPA MUNICIPAL CODE PERTAINING TO THE REZONING OF PROPERTY LOCATED AT 1351 SECOND STREET FROM DP, DOWNTOWN PUBLIC DISTRICT TO DMU, DOWNTOWN MIXED-USE DISTRICT
ATTACHMENT 3	ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, APPROVING A PLANNED DEVELOPMENT OVERLAY DISTRICT (PD-37) TO ESTABLISH USE PROVISIONS AND DEVELOPMENT STANDARDS FOR THE FRANKLIN STATION HOTEL AND PARKING GARAGE LOCATED AT 1251 & 1351 SECOND STREET AND 819 RANDOLPH STREET
ATTACHMENT 4	ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, ADOPTING A DEVELOPMENT AGREEMENT PURSUANT TO GOVERNMENT CODE SECTION S 65864 ET SEQ., BY AND BETWEEN THE CITY OF NAPA AND JAMES F. KELLER AND 1351 SECOND STREET LLC, DIRECTING ITS EXECUTION AND RECORDATION
ATTACHMENT 5	RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NAPA, STATE OF CALIFORNIA, AMENDING THE CITY OF NAPA DOWNTOWN SPECIFIC PLAN TO REDESIGNATE THE PROPERTY AT 1351 SECOND STREET FROM "DOWNTOWN PUBLIC" TO "DOWNTOWN MIXED USE" AND REVISE THE HISTORIC RESOURCES DESIGN GUIDELINES FOR THE PROPERTY

VI. STAFF RECOMMENDATION

Staff recommends that the Planning Commission forward a recommendation to the City Council to: 1) consider the Addendum to the Final Program Environmental Impact Report Downtown Napa Specific Plan and determine that the potential environmental effects of the Project were adequately analyzed and addressed by a prior CEQA action as documented in the Addendum, and; 2) approve the requested General Plan Amendment, Specific Plan Amendment, and Zoning Amendment, Planned Development Overlay, and Development Agreement for the Franklin Station Hotel Project.

VII. ALTERNATIVES TO RECOMMENDATION

- Direct Staff to return to the Commission with a resolution documenting findings from the record of the hearing to support denial of the proposed project.
- Continue the application with direction for project modifications.

VIII. REQUIRED ACTIONS

Final action by the Planning Commission to forward a recommendation to the City Council to:

- 1.) determine that the potential environmental effects of the Project were adequately analyzed and addressed by a prior CEQA action as documented in the Addendum;
- 2.) adopt a resolution approving the General Plan Amendment;
- 3.) adopt an ordinance approving the Zoning Amendments;
- 4.) adopt a resolution approving the Specific Plan Amendments;
- 5.) adopt an ordinance approving the Planned Development Overlay; and
- 6.) adopt an ordinance approving the Development Agreement for the Franklin Station Hotel Project.

IX. NOTICE

Notice of the public hearing was provided by US Postal Service on October 08, 2018 all property owners within a 500-foot radius of the subject property. Notice of the public hearing was also published in the Napa Valley Register on October 05, 2018 and provided to people previously requesting notice on this matter, at the same time notice was provided to the newspaper for publication. Legal notice included a general explanation of the matter to be considered and any related permits, identification of the location of the property involved where site specific, a description of the date, time and place of the public hearing, the identity of the hearing body, and a statement consistent with the Code of Civil Procedure regarding the time limit to commence any legal challenge and matters that may be raised by such challenge.

X. DOCUMENTS ATTACHED

Attachment 1 - Draft Resolution – General Plan Amendment

Ex A - Existing and Proposed General Plan Map

Attachment 2 - Draft Ordinance – Rezoning

Ex A – Existing and Proposed Zoning Map

Attachment 3 - Draft Ordinance – Planned Development Overlay

Ex A – Proposed Map

Ex B – Proposed Planned Development Overlay

Ex C – Draft Project Specific Design Guidelines

Attachment 4 – Draft Ordinance – Development Agreement

Ex A – Draft Development Agreement

Attachment 5 – Draft Resolution – Specific Plan Amendment

Ex A1 – Existing Figures 4.1

Ex A2 – Proposed Figures 4.1

Ex B – Draft Revised Historic Design Guidelines (revised Appendix G of DNSP)

Attachment 6 – Applicant’s Project Description

Attachment 7 – Existing Historic Design Guidelines pp. 116 and 117

Attachment 8 – Franklin Station Project Addendum to the Final Program Environmental Impact Report Downtown Napa Specific Plan

Ex A - Traffic Analysis for Napa Post Office Redevelopment, prepared by Kimley-Horn and Associates, Inc., dated July 2018

Ex B - Historic Resource Summary and Project Evaluation, prepared by Preservation Architecture, dated August 17, 2018

Ex C – Downtown Napa Specific Plan Final Environmental Impact Report Mitigation Monitoring and Reporting Program

Attachment 9 – Hotel Policy analysis dated October 11, 2018

Reference Documents:

Downtown Specific Plan

Downtown Specific FEIR