



R

City of Laguna Beach, Municipal Code Amendment to Create a Hotel Development Overlay Zoning District and Require Voter Approval of Hotel Development Projects

Shall the proposed ordinance to amend the Laguna Beach Municipal Code to: (1) create a Laguna Hotel Overlay Zoning District covering all property in the City located within 1,000 feet of the centerline of either Coast Highway or Laguna Canyon Road/Broadway; (2) establish special requirements for any Hotel Development Project; and (3) require voter approval for any Hotel Development Project that does not conform to the special requirements, be adopted?

What your vote means

YES	NO
A "Yes" is a vote to adopt the proposed ordinance to amend the Laguna Beach Municipal Code to: (1) create a Laguna Hotel Overlay Zoning District covering all property in the City located within 1,000 feet of the centerline of either Coast Highway or Laguna Canyon Road/Broadway; (2) establish special requirements for any Hotel Development Project; and (3) require voter approval for any Hotel Development Project that does not conform to the special requirements, be adopted.	A "No" is a vote not to adopt the proposed Ordinance Creating a Hotel Development Overlay Zoning District and Requiring Voter Approval of Hotel Development Projects.

For and against

FOR	AGAINST
Blair McManus Hotel Worker & Laguna Beach Resident William Lanz Laguna Beach Resident Ines Guzman Hotel Housekeeper Diana Nufio Hotel Housekeeper Penny Elia Coastal Activist & Laguna Beach Resident	Sue Kempf Mayor, City of Laguna Beach Bob Whalen Mayor Pro Tem, City of Laguna Beach J.J. Ballesteros Laguna Beach Chamber of Commerce Mark Christy Managing Partner, The Ranch at Laguna Beach Mary Rogers Managing Director, Montage, Laguna Beach



Ballot Measures-R

Full Text of Measure R City of Laguna Beach

THE PEOPLE OF THE CITY OF LAGUNA BEACH DO ORDAIN AS FOLLOWS:

Section 1. Code Amendment.

This ordinance shall be known as the "Initiative to Create the Hotel Development Overlay Zoning District and Require Voter Approval for Hotel Development Projects." This ordinance creates a new Section 25.57 of the City of Laguna Beach Municipal Code ("LBMC"), reading as follows:

Section 25.57. Right to Vote on Hotel Development Projects Not Compliant with Zoning Standards.

25.57.01. Legislative Findings.

The people of the City of Laguna Beach find that:

(a) WHEREAS, Laguna Beach is a uniquely desirable location for residents and tourists alike, with pristine beaches and charming beach-side neighborhoods balancing the advantages of a tourist economy with the needs of preserving Laguna Beach's small-city character, walkable commercial districts, tree-lined streets and low-scale buildings.

(b) WHEREAS, the over-development of hotels along State Routes 1 and 133 in recent years has raised concerns that further hotel developments could overwhelm the local character of adjacent business communities and increase conflict with adjacent residences. Further hotel development raises concerns of the adequacy of police, fire and park resources and will contribute to increasing traffic congestion.

(c) WHEREAS, hotel developments encroaching into setbacks for oceanfront bluffs, beaches and the Pacific Ocean are nonconforming and conflict with the policy of Laguna Beach to strictly protect its scenic and coastal resources. It is the policy of the City to eventually bring hotel developments into conformance with required setbacks from bluffs, beaches and the Pacific Ocean.

(d) WHEREAS, the city has encountered significant obstacles in requiring the removal of illegally-installed structures and the remediation of illegal grading for hotel projects, including limited enforcement capability and overlapping jurisdiction with the Coastal Commission. The citizens intend to create a new enforcement mechanism to ensure that illegal construction and grading are brought into conformance.

25.27.02. Definitions.

"Hotel Development Project" means any addition, alteration, construction or Major Remodel of any hotel including Major Hotel Development Projects and Minor Hotel Development Projects.

"Major Hotel Development Project" means the conversion or addition of guest rooms resulting in 20 or more guest rooms beyond the number of guest rooms permitted in the most recent certificate of occupancy for the site.

"Minor Hotel Development Project" means any Hotel Development Project except a Major Hotel Development Project.

"Project Proponent" means any person, firm, association, syndicate, partnership, limited liability company, limited liability partnership, corporation, trust, or any other legal entity applying to Laguna Beach for entitlements for a development project. If Laguna Beach itself initiates the change, it shall be deemed the Project Proponent for the purposes of this ordinance.

25.27.03. Laguna Hotel Overlay District.

(A) Purpose. The purpose of Laguna Hotel Overlay District is to create an overlay district governing procedures for hotel development in the most visible and most used communities of Laguna Beach, to ensure that these communities will be protected and enhanced by compatible hotel development. The development standards ensure that the scale and nature of hotel development will complement the beach city aesthetic and minimize externalities suffered by residents related to insufficient parking, special events and beach encroachments. Projects not conforming with these core development standards require City Council approval and are subject to democratic oversight.

(B) Location and Application: The Laguna Hotel Overlay District consists of all property in the City of Laguna Beach within 1,000 feet of the center-line of either CA State Route 1 or CA State Route 133.

(C) Development Standards. All development regulations for uses other than hotels shall be governed by the development standards of the underlying zone. A proposed Hotel Development Project in the Laguna Hotel Overlay District shall comply with the following development standards:

1. Hotel Density. Density shall be limited to one guest room or suite per 800 square feet of land area.

2. Hotel Parking.

(a) Notwithstanding the provisions of LBMC Section 25.52.012(G) to the contrary, required parking for a hotel shall be: 1.5 spaces for each room (as defined in Chapter 25.08), which opens to a public way or corridor, yard or court, plus 1 space for each 15 rooms or fraction thereof, plus 2 spaces per each residence.

(b) Notwithstanding the provisions of LBMC Section 25.52.012(G) to the contrary, no parking reduction shall be granted to ancillary uses.

3. Hotel Open Space Requirements.

(a) Open space shall equal thirty-five percent of the nonresidential gross floor area, exclusive of parking and driveways, which area may be used for landscaping, pedestrian access or similar pedestrian facilities, accessible to the general public.

(b) Additional open space shall be provided for residential uses equaling a minimum of forty percent of the total gross living areas.



Ballot Measures-R

(c) All open space requirements are subject to the standards of Section 25.50.010.

4. **Building Height Standards.** The Laguna Hotel Overlay District adopts the building height standards of a property's underlying zone. The building height standards of a property's underlying zone are hereby incorporated into the Laguna Hotel Overlay District.

(D) Major Remodels.

1. **Definition.** For purposes of this definition, "Major Remodel" means the addition to or alteration of an existing Hotel Development Project building or structure in the Laguna Hotel Overlay District if any one of the following occurs at any time over a five year period:

a. Demolition, removal and/or reconstruction of 15% or more of the total existing above grade exterior wall area (both exterior cladding and framing systems and exterior openings) of the sum of existing buildings on a property. Any continuous run of remaining exterior wall surfaces measuring 10 feet or less in length are counted as removed and/or replaced;

b. Demolition, removal and/or reconstruction of 15% or more of the combined total area(s) of the existing roof framing system and structural floor systems, not including eaves or decks, of the sum of existing buildings on a property;

c. One or more additions to an existing building or structure that increases the total square footage of the sum of existing buildings on a property by 15% or more; or

d. Reconstruction, addition or other improvement of structures, the cost of which, (as determined by the Building Official utilizing valuation tables for new construction established by City Council Resolution to compute building permit fees), equals or exceeds 15% of the valuation of the sum of existing buildings on a property.

This definition of "Major Remodel" does not apply to: the replacement and upgrading for compliance with state-mandated earthquake retrofitting safety standards; compliance with flood prevention regulations; compliance with state-mandated energy efficiency standards: compliance with the Americans with Disabilities Act (ADA); roof coverings; foundation repair; filling in of existing window and door openings: window replacement in existing openings and reconstruction of roofs or foundations without any physical expansion.

2. **Nonconforming Rights.** Whenever modifications to existing buildings or structures within a Hotel Development Project in the Laguna Hotel Overlay District constitute a Major Remodel, the construction shall constitute and be classified as a new building or structure subject to current development standards of the subject zone and all requirements applicable to the construction of a new building or structure including utilities undergrounding requirements, required dedication of on- and off-site improvements and payment of new development fees.

(E) Existing Violations and Unpermitted Work. No building, addition, alteration, grading, demolition or development permit for any Hotel Development Project in the Laguna Hotel Overlay District shall issue until the Director of Community Development objectively certifies ("Director Certification") that all existing development and operations are in conformance with the LBMC, the Local Coastal Program and any conditions of approval of any Coastal Development Permit or other local land use or Community Development Department approval or permit with respect to the following conditions: (1) guest room density; (2) beach and bluff setbacks; (3) beach and bluff grading; (4) required parking; or (5) coastal access.

(F) Relief from Hotel Development Standards in the Laguna Hotel Overlay District.

1. Minor Hotel Development Projects not conforming with the development standards in LBMC Section 25.27.03(C) shall make the findings and comply with the application, notice, appeal and other procedures of LBMC Section 25.05.025 (Variances). Where the findings for a variance cannot be made, Minor Hotel Development Projects shall require a zone change and voter approval of the zone change according to the procedures set forth in Section 25.27.04.

2. Major Hotel Development Projects not conforming with the development standards in LBMC Section 25.27.03(C) shall require a zone change and voter approval of the zone change as set forth in Section 25.27.04.

3. Major Remodels not in conformance with development standards in LBMC Section 25.27.03(C) shall require a zone change and voter approval of the zone change as set forth in Section 25.27.04.

4. Any Hotel Development Project not receiving a Director Certification as set forth in LBMC Section 25.27.03(E) shall require a zone change and voter approval of the zone change as set forth in Section 25.27.04.

5. Hotel Development Projects requiring relief pursuant to more than one provision above shall obtain the required relief according to each provision.

(G) Exceptions to the Laguna Hotel Overlay District.

1. This ordinance shall not apply to the repair, replacement, restoration, or reconstruction of any existing building, structure or improvement, whether conforming or nonconforming, which has been damaged by fire, flood, wind, earthquake, or other disasters, up to the original size, placement and density subject to any other applicable requirements of the LBMC.

2. This ordinance shall not apply to prevent the completion of a Hotel Development Project approved before the effective date of this ordinance, if before such date, the holder of any permit or other entitlement for use for such development has lawfully obtained a building permit for the Hotel Development Project and in good faith acquired a vested right, under state law, to carry out the development to completion.

25.27.04. Hotel Development Project Zone Change and Vote of the Laguna Beach Electorate.

(A) The approval by the City Council of a Zone Change to remove the property from the requirements of the Laguna Hotel Overlay District pursuant to LBMC Section 25.27.03-F shall comply with the following procedures:

1. The Planning Commission shall hold a hearing on any such zone change request, providing at least 10 days' notice in at least one newspaper



Ballot Measures-R

of general circulation or posting in three public places, and delivered to all persons who have requested to receive such notifications. Notice must also be provided at least 10 days in advance to the property owner, the applicant, and owners, renters, and lessees within 1,000 feet of the property.

2. The Planning Commission may recommend to the City Council that it adopt or reject the zone change to remove the property from the Laguna Hotel Overlay District. In making its recommendation, the Planning Commission may recommend conditions and mitigating measures to modify the proposal.

3. The City Council must hold a public hearing to consider granting the zone change, providing notice as described in subsection (1). The City Council may approve, disapprove or modify the recommendation of the Planning Commission, including the addition or removal of conditions and mitigating measures.

4. In determining whether to grant a zone change to allow for a Hotel Development Project in the Laguna Hotel Overlay District, the City Council must make findings that:

(a) the Hotel Development Project will provide on-site mitigation for any affordable accommodations removed for the project in compliance with Local Coastal Program Policy 6.2.2.

(b) the Hotel Development Project provides sufficient on-site parking to meet peak parking demand for the Project's guests, patrons and employees without relying on off-site parking.

(B) A Hotel Development Project shall be considered to be approved only after approval of the zone change to remove the property from the Laguna Hotel Overlay District by both the Laguna Beach City Council and a majority of the Laguna Beach electorate voting "YES" on a ballot measure asking whether the zone change should be approved at either a regular or special municipal election. An advisory election does not satisfy the voter approval requirements of this Section.

(C) The sample ballot materials mailed to the registered voters of Laguna Beach prior to an election shall describe the Hotel Development Project in a manner that clearly discloses both the scope and main features of the development project (including any and all phases) that the Hotel Development Project consists of or depends on, whether and for what reason the Hotel Development Project did not receive a Director Certification as set forth in LBMC Section 25.27.03(E) and the location and the acreage of the development project site. All of the information called for by this subdivision shall be posted on the City of Laguna Beach's website no later than ten (10) days prior to the Laguna Beach City Council's hearing on a Hotel Development Project, and such information shall be updated no later than two business days following the Laguna Beach City Council's hearing.

(D) For all Hotel Development Project zone changes approved by the Laguna Beach City Council on or after the Effective Date of this ordinance, the resulting election required by this ordinance shall be set for the first regular municipal election following City Council approval of the zone change; or, by mutual agreement with the Project Proponent, the Laguna Beach City Council may call a special municipal election, with the cost of the special election borne solely by the Project Proponent.

(E) The zone change and popular vote required by this ordinance shall be in addition to all other applicable review and approval requirements for such Major Development Project, including environmental review in compliance with the California Environmental Quality Act ("CEQA").

(F) All subsequent City permits and approvals necessary to implement all or part of a Hotel Development Project shall conform to the development project description presented to voters for approval pursuant to paragraph (B) of this Section.

(G) No certificate of occupancy shall be issued for a Hotel Development Project until the Project Proponent has paid all fees to the City of Laguna Beach, and all mitigation measures required by the Laguna Beach City Council have been fully implemented or the City Council and the Project Proponent have entered into an enforceable agreement to implement all mitigation measures.

(H) Any permits or approvals issued without voter approval, where such voter approval is required under this ordinance, shall be null and void.

(I) Property removed from the Laguna Hotel Overlay District shall revert back to the Laguna Hotel Overlay District under any of the following conditions:

1. If construction (other than demolition or grading) fails to begin within 36 months of voter approval, in which case, outstanding permits will be void, unless the holder of the permit has lawfully and in good faith acquired a vested right under state law.

2. Building permits for the project expire or are revoked.

3. The permitted project is resubmitted, or modified, other than a Minor Modification of a Major Development Project as defined in LBMC Section 25.60.02(i).

Section 2. Amendments.

No provision of this ordinance may be amended or repealed except by a vote of the people of the City of Laguna Beach.

Section 3. Judicial Enforcement.

Any aggrieved person shall have the right to bring an action to enjoin any violation of this ordinance or to enforce the duties imposed on the City of Laguna Beach by this ordinance.

Section 4. Consistency with Other Ballot Measures.

If another ballot measure is placed on the same ballot as this measure and deals with the same subject matter, and if both measures pass, the voters intend that both measures shall be put into effect, except to the extent that specific provisions of the measures are in direct conflict. In the event of a direct conflict, the measure which obtained more votes will control as to the directly conflicting provisions only. The voters expressly declare this to be their intent, regardless of any contrary language in any other ballot measure.



Section 5. Severability.

If any section, subdivision, clause, sentence, phrase or portion of this ordinance is declared invalid by a court of competent jurisdiction, the remaining sections, subdivisions, clauses, sentences, phrases and portions shall remain valid and enforceable. The voters declare that they would have passed all sections, subdivisions, clauses, sentences, phrases and portions of this ordinance without the section, subdivision, clause, sentence, phrase or portion declared invalid by a court of competent jurisdiction.

Impartial Analysis City of Laguna Beach Measure R

This measure would, if adopted by the voters and certified by the California Coastal Commission, amend the Laguna Beach Municipal Code to: (1) create a Laguna Hotel Overlay Zoning District covering all property in the City located within 1,000 feet of the centerline of either State Route 1 (Coast Highway) or State Route 133 (Laguna Canyon Road/Broadway); (2) establish special requirements for any Hotel Development Project (as defined); and (3) require voter approval for any Hotel Development Project that does not conform to the Overlay Zoning District special requirements (Ordinance).

The proposed Ordinance defines a Hotel Development Project to mean any addition, alteration, construction or Major Remodel (further defined) of any hotel, and includes Major Hotel Development Projects (further defined) and Minor Hotel Development Projects (further defined).

The proposed Ordinance would require every Hotel Development Project in the Overlay District to comply with specified development standards relating to density, parking, open space, and building height. The proposed Ordinance exempts certain activities from its application.

The proposed Ordinance provides that every Major Hotel Development Project and Major Remodel within the Overlay District not conforming to the Overlay District development standards and certain other hotel development projects would require City Council approval of a zone change to remove the subject property from the Overlay District. Such approval would require special findings.

The proposed Ordinance also provides that approval of a variance would be required for every Minor Hotel Development Project not conforming to the Overlay District development standards. If the findings needed for a variance cannot be made, the project shall require City Council approval of a zone change to remove the subject property from the Overlay District.

The proposed Ordinance requires that any proposed zone change be submitted to the voters at either a general or special election after the City Council has approved the change. The election must take place at the next regular municipal election or, by mutual agreement with the project proponent, a special municipal election may be called, the cost of which (currently estimated at \$130,000 to \$150,000) must be borne by the project proponent. A majority of the "Laguna Beach electorate" (commonly defined to mean the total number of registered voters) voting "yes" is required to approve a project.

The requirements for an election would delay final approval of projects from six months (special election) up to two years (general election). Such requirements, including the extent of needed voter approval, add an element of uncertainty in the development process. The voter approval requirements increase the risk that a project will not be approved, require an investment of capital prior to placing the proposed project before the voters, and by prolonging the process, may decrease the likelihood that these types of projects will be brought to the City.

This measure was placed on the ballot by a petition signed by the requisite number of voters. A majority vote (50% plus one) in favor of the measure is required for passage.

s/ Philip D. Kohn
City Attorney



Ballot Measures-R

Argument in Favor of Measure R

Laguna Beach residents value this community for its small-city charm, walkable neighborhoods and high quality of life. Residents deserve a say on hotel projects that could threaten what makes Laguna Beach so special, which is what this measure will provide. Vote YES.

Recently, some hotel developers have tried to build projects that are out-of-scale and don't provide enough parking. Vote YES to have a say on these kinds of hotel projects.

We believe that hotels should serve the community, not just tourists. It should be Laguna voters, not hotel development interests, who decide the direction of the city.

Hotel developers are eager to cash in on Laguna Beach's charm. Vote YES to have a voice on hotel projects in Laguna Beach.

s/ Blair McManus
Hotel Worker & Laguna Beach Resident

s/ William Lanz
Laguna Beach Resident

s/ Ines Guzman
Hotel Housekeeper

s/ Diana Nufio
Hotel Housekeeper

s/ Penny Elia
Coastal Activist & Laguna Beach Resident

Rebuttal to Argument in Favor of Measure R

We urge our Laguna Beach neighbors to overwhelmingly reject Measure R.

Laguna cannot let a Los Angeles based labor organization located 50 miles away threaten our quality of life, the well-being of our hospitality workers or the condition of their workplaces with Measure R.

Measure R is a "punishment" levied on our hometown hotels and resorts and their employees. This measure threatens the very character of Laguna's beautiful seaside community. Don't allow them to weaponize your vote!

Measure R is totally unnecessary. Stringent rules and safeguards preventing hotel "overdevelopment" in Laguna Beach already exist – including density, height, scale and traffic mitigation.

Measure R limits the ability of our hotels to simply maintain their facilities. Only an earthquake, fire or tsunami would warrant an exception to these costly, onerous approvals. That's just wrong! The essence of this beautiful town we all truly love would be caught in the crossfire.

Measure R threatens hotel stay taxes that fund \$17.3 million (14%) of our city budget. These monies pay for public safety and the necessary city services that enhance and preserve our special quality-of-life in Laguna Beach.

Please don't allow this self-serving Los Angeles based labor organization harm our community, our places of hospitality and their family of employees.

Please don't be misled by their deceiving rhetoric.

Please Protect and Keep Laguna Local and beautiful.

Please vote NO on Measure R.

s/ J.J. Ballesteros
Laguna Beach Chamber of Commerce

s/ Mark Christy
Managing Partner, The Ranch at Laguna Beach

s/ Mary Rogers
Managing Director, Montage, Laguna Beach

s/ Christopher Wylie
General Manager, The Inn at Laguna beach & Laguna Beach House

s/ Joanna Bear
General Manager, Surf & Sand Resort, Laguna Beach



Ballot Measures-R

Argument Against Measure R

Rebuttal to Argument Against Measure R

We urge Laguna Beach residents to vote NO on Measure R.

Vote **YES** on Measure R to give Laguna Beach residents a say on major hotel developments.

A Los Angeles labor group is attempting to tell Laguna Beach how we should do business. They have submitted Measure R to try and force our hotels and resorts into a state of disrepair. It is specifically designed to be punitive to our local hotels and resorts.

Hotel developers who oppose Measure R think they know what's best for the city and want to prevent residents from having a say.

Laguna's City Council majority, our Chamber of Commerce and our local hotels and resorts strongly oppose this outside effort. Only Laguna knows what is best for Laguna. Measure R is bad for both Laguna Beach residents and hotel workers:

Voting on major hotel projects isn't new here. In 1999, Laguna Beach voted to approve what is now the Montage.

Measure R limits hotel and resort alterations through a new, onerous approval process. We all know that Laguna already has rigorous safeguards in place. This wholly unnecessary measure threatens vital property repairs and could lead to high-profile, run-down properties.

Many projects won't need a vote. Hotels that follow existing law and meet Measure R's standards for open space, density, and parking won't have to do anything new.

Measure R only allows simple approval of any repairs, replacement, restoration, or reconstruction if property is damaged or destroyed by natural disaster, such as an earthquake, fire, or tsunami. This will be harmful to Laguna's quality of life.

Key opponents of Measure R don't even live in Laguna Beach. The primary committee to oppose Measure R is sponsored by an entity based in La Jolla and the owner of the Montage, which is owned by a Chinese state-owned enterprise.

Measure R threatens city "hotel overnight stay" taxes that fund about fourteen percent of Laguna Beach's budget – that's \$17.3 million dollars annually!

Vote YES on Measure R to give voters a say on large hotel developments.

Measure R could jeopardize public safety. Hotel overnight stay taxes annually fund over \$2.9 million for police, fire, and marine safety services and wildfire mitigation programs throughout the City. Just a one percent decrease in hotel stay taxes equals the starting salary of two city firefighters or paramedics.

s/ Blair McManus
Hotel Worker & Laguna Beach Resident

Measure R threatens hotel workers' jobs. Unsightly properties equal less business. Less business equals less revenue. Less revenue equals less jobs.

s/ William Lanz
Laguna Beach Resident

Measure R is an unnecessary effort from the outside to control our local land use process. Laguna Beach residents should soundly reject it.

s/ Diana Nufio
Hotel Housekeeper

Protect & Keep Laguna Local! Please vote NO on Measure R!

s/ Penny Elia
Coastal Activist & Laguna Beach Resident

s/ Sue Kempf
Mayor, City of Laguna Beach

s/ Bob Whalen
Mayor Pro Tem, City of Laguna Beach

s/ J.J. Ballesteros
Laguna Beach Chamber of Commerce

s/ Mark Christy
Managing Partner, The Ranch at Laguna Beach

s/ Mary Rogers
Managing Director, Montage, Laguna Beach