

## Planning Commission Staff Report

June 14, 2017  
Item 6.a.

**SUBJECT:** PUD-93-02-16M

**APPLICANT/  
PROPERTY OWNER:** Hakam Misson

**PURPOSE:** Work session to review and receive comments on an application for a Major Modification to the Ruby Hill Planned Unit Development (PUD) and related entitlements to: (1) modify and expand the existing former Ruby Hill sales office building to accommodate an approximately 20,419-square-foot, 42-room hotel, (2) construct an approximately 62,175-square-foot facility that includes a lounge/restaurant, event center, spa facility, sports bar, and conference center with capacity for 672 guests, and (3) construct a 176-space parking lot, a new site entrance on Vineyard Avenue, and related improvements on a 36-acre site.

**LOCATION:** 2001 Ruby Hill Boulevard

**GENERAL PLAN:** Open Space – Agriculture and Grazing

**ZONING:** Planned Unit Development – Agriculture/Open Space/Low Density Residential (PUD-A/OS/LDR)

**EXHIBITS:**

- A. [Planning Commission Work Session Topics](#)
- B. [Proposed Development Plans](#) and [Project Narrative](#), dated "Received November 22, 2016"
- C. [Staff Comment Letter dated August 30, 2016](#)
- D. [Letter from Tri-Valley Conservancy dated October 17, 2016](#)
- E. [Project Plans for Previously Approved Project](#)
- F. [Public Comments](#)
- G. [Location and Notification Map](#)

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### RECOMMENDATION

Staff recommends that the Planning Commission review the proposed project, hear public testimony, and provide comments to staff and the applicant. No formal action will be taken on this project. Staff is not in support of the application in its current form due to the size/intensity of the proposal, and its potential impacts to neighboring properties.

## **EXECUTIVE SUMMARY**

The applicant, Hakam Misson, is proposing to undertake a project at 2001 Ruby Hill Boulevard that would include an approximately 20,419-square-foot, two-story 42-room hotel; an approximately 62,175-square-foot, three-story building with a basement that includes a lounge/restaurant, event center, spa facility, sports bar, art gallery, and conference center (event center) that could accommodate up to 672 guests; and a 176-space parking lot, a new site entrance, and related site changes. The project site encompasses 36 acres; however, there is a conservation easement over the project site which only allows non-agricultural commercial and residential development to occur on a 2.5-acre portion of the site (building site envelope). The General Plan designation for the project site is Open Space, Agriculture and Grazing, which allows only land or buildings used for agriculture or grazing. The PUD approval for the Ruby Hill development allow for only viticultural uses on the project site, including planted vineyards, vineyard maintenance facilities, irrigation detention ponds, and other functions ancillary to wine production.

The existing two-story building on the site was constructed and occupied by Signature Properties, Inc., the developer of Ruby Hill. Signature Properties used the building as its temporary sales office until 2003-2004 when the majority of Ruby Hill construction was completed. The property was then sold to Barnabus and Arpad Nagy. The Nagys applied for and received City approvals for development of a restaurant and a future single-family residence in 2007. The approvals have since expired and the project was not constructed. The property was sold to Hakam Misson in 2014.

The currently-proposed project, which includes a 42-room hotel and event center, is being presented to the Commission for review and direction prior to the Commission's formal review of the PUD application. The work session also provides the public with an opportunity to review and comment on the proposed plans. As noted above, staff believes the proposed project is too large and intrusive for the site based on past approvals and existing development regulations.

## **BACKGROUND/HISTORY**

### **Ruby Hill Development**

In 1991, Alameda County approved the Ruby Hill development, consisting of 850 homes, a golf course, a retail site, and other improvements on an approximately 1,600-acre site. Following this initial approval, in 1993, the City annexed an 1,100-acre portion of the Ruby Hill development that included all 850 homes, an 18-hole golf course, approximately 280 acres of vineyard and vineyard-related area, and 91 acres of open space. The development regulations for the 1,100-acre area were those previously-adopted by the County. The PUD approval for the 36-acre project site allow for only viticultural uses, including planted vineyards, vineyard maintenance facilities, irrigation detention ponds, and other functions ancillary to wine production.

### **Project Site**

The project site, approximately 36 acres in size, is part of the Ruby Hill PUD and is one of the three vineyard parcels that has a conservation easement over it. The Conservation Easement allows a maximum of 2.5 acres of the parcel to not be planted in agricultural/wine grapes and conceptually shows this area generally around the former temporary sales office building.

In August 1994, a building permit was issued for the construction of an approximately 6,630 square foot, two-story temporary sales office building for Signature Properties on the project site. Signature Properties vacated the building in early 2000s.

In 2004, Barnabas and Arpad Nagy purchased the site from Wente Bros. and filed an application the following year to develop the site. In 2007 the City Council approved applications from the Nagys to modify the Ruby Hill PUD development plan and for conditional use approval to: (1) relocate the existing temporary sales office building closer to Vineyard Avenue; (2) change the existing building from the sales office use to a restaurant use with private events limited to a maximum occupancy of 230 guests that could only occur between 11:00 a.m. and 5:00 p.m.; (3) establish a pad location at the existing sales office building location and design guidelines for a future custom single-family residence; (4) construct a 100-stall parking lot, a new site entrance off of Vineyard Avenue, and related site improvements, and (5) to allow alcoholic beverage service at the restaurant after 10:00 p.m. The Nagys requested and received several extensions of the approvals, but never constructed the project. The last extension expired in 2013 and the Nagys sold the property to Hakam Misson in 2014. Please see Exhibit E for the project plans of the previously approved project.

In August 2015, Hakam Misson submitted a Preliminary Review application to solicit staff comments on a proposal that included converting and expanding the existing temporary sales office building to a 20-room, 7,959-square-foot bed-and-breakfast facility, constructing an approximately 8,481-square-foot two-story “spa” building with an approximately 3,194-square-foot basement to the west of the proposed bed-and-breakfast facility, and constructing an approximately 43,788-square-foot two-story building with an approximately 12,762-square-foot basement for uses including a restaurant, event center, sports bar, seminar and conference center, and art gallery. The proposal included a 195-space parking lot. The application did not specify the maximum number of guests that could be accommodated on site. After reviewing the application, staff recommended the applicant scale down the size of the proposed development to be generally consistent with the previous approval.

In August 2016, Mr. Misson filed a formal application for PUD Major Modification. The proposed application removed the previously proposed spa building, but expanded the bed-and-breakfast facility from a 20-room facility in the Preliminary Review application to a 42-room hotel. Additionally, the square footage of the new event center building was increased from 56,550 square feet (including the basement) in the Preliminary Review application to 62,175 square feet (including the basement) with a maximum of 672 guests. A spa facility was also added in the event center building. Staff again expressed opposition to the size and intensity of the proposal, and urged the applicant to redesign the proposal so that the scale of the development would be generally consistent with the previous approval.

Staff notes the existing temporary sales office building was unoccupied until December 2015 when the Code Enforcement Division was informed that a party with over 100 persons was held at the site. Staff contacted Mr. Misson and was told that it was a family birthday celebration; no further City enforcement was undertaken regarding the party. On May 9, 2017, Code Enforcement became aware that the site was listed on Airbnb (a short-term rental website), and was being operated as a short-term rental. Code Enforcement Division notified Mr. Misson that the zoning does not allow short-term rentals and that the existing building code occupancy classification does not allow residential use. Mr. Misson removed the site from the Airbnb website.

## **PROJECT AREA AND SITE DESCRIPTION**

The 36-acre site is located on the south side of Vineyard Avenue between Rubino Estates Winery and Palm Event Center and the signalized entrance to Ruby Hill. The site is relatively flat, with vineyards planted and operated by Wente Bros. Access to the site is provided by an existing driveway from Ruby Hill Boulevard before the guard kiosk. A drainage channel running in a north-south direction bisects the property. The General Plan designation for the project site is Open Space-Agriculture and Grazing, which allows only land or buildings used for agriculture or grazing. PUD approval for the Ruby Hill development allow for only viticultural uses on the project site, including planted vineyards, vineyard maintenance facilities, irrigation detention ponds, and other functions ancillary to wine production.

The existing, former sales office building is situated in the southeastern portion of the site. A gravel driveway provides access to the building from Ruby Hill Boulevard and a small gravel parking area is located in front of the building.

The properties adjacent to and within the immediate vicinity of the site are (see Figure 1):

North:	gravel quarries (Alameda County)
East:	vineyards and commercial uses (Casa Real Event Center and Ruby Hill Winery)
South:	Ruby Hill development
West:	vineyards and commercial uses (Palm Event Center and Rubino Estates Winery)

**Figure 1: Project Site and Surrounding Area**



**PROJECT DESCRIPTION**

The project would require the following changes to the General Plan and the approved Ruby Hill PUD:

1. Amend the General Plan land use designation for the site to allow the proposed hotel, lounge/restaurant, event center, sports bar, spa and conference center uses;
2. Modify the approved Ruby Hill PUD for the site for the following:
  - Adding hotel, lounge/restaurant, event center, sports bar, spa and conference center as permitted uses for this site;
  - Modifying and expand the existing, approximately 6,630-square-foot former Ruby Hill temporary sales office building to accommodate an approximately 20,419-square-foot, 42-room hotel;
  - Constructing an approximately 62,175-square-foot event center that includes a lounge/restaurant, event center, spa facility, sports bar, and conference center with a maximum capacity of 672 guests plus staff members;
  - Constructing a 176-space parking lot with access from a new driveway off Vineyard Avenue; and
  - Undertaking related on- and off-site improvements (e.g., landscape modifications, utility installation, stormwater treatment areas, roadway improvements, etc.).

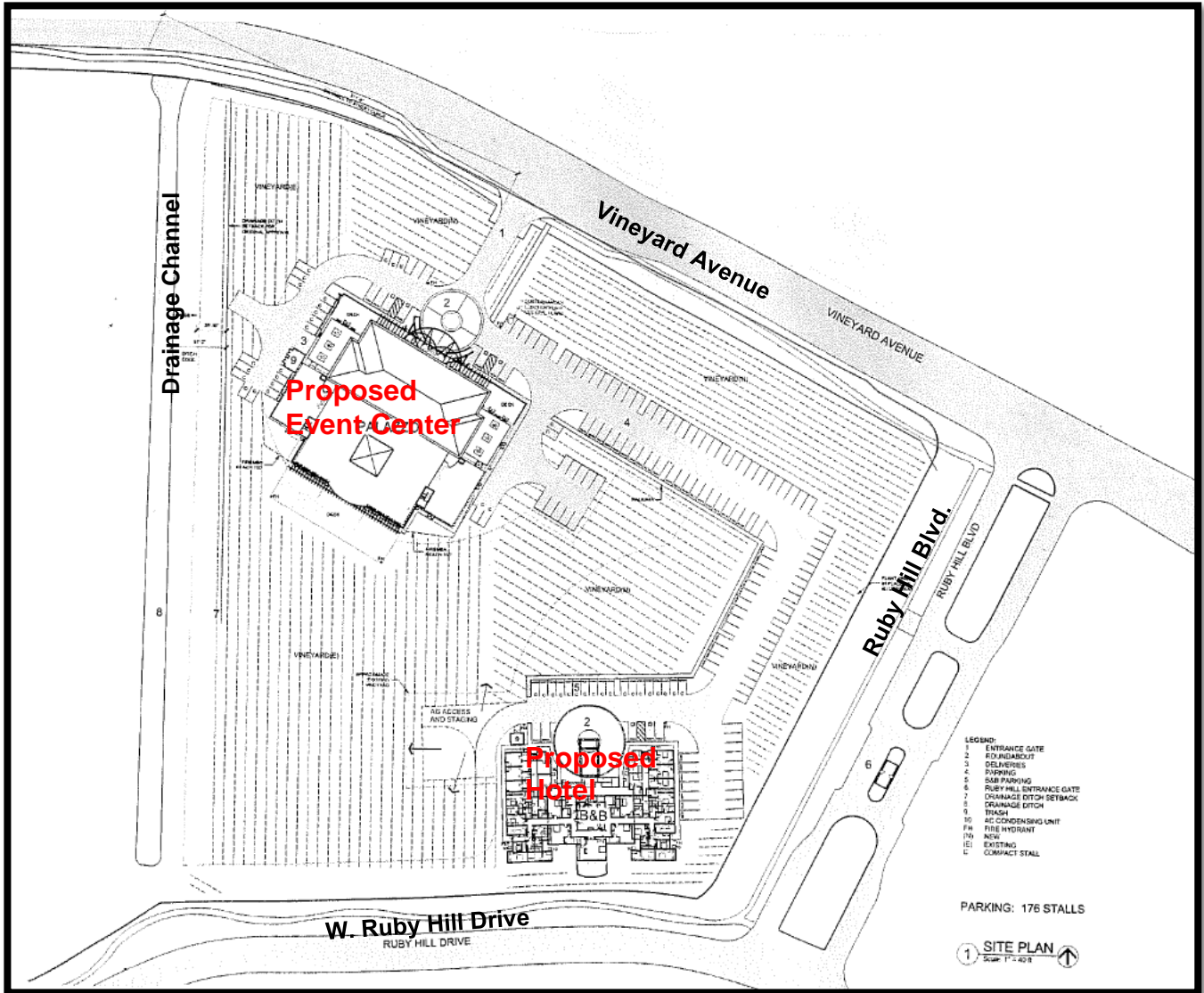
## **Site Layout**

The proposed development would be located in the eastern portion of the project site, between the drainage channel and entrance to Ruby Hill (Figure 2).

Additions would be added to the east and west sides of the existing temporary sales office building to create a hotel. Taking into account the proposed additions, the hotel would be located approximately 420 feet from the nearest residential property in Ruby Hill. The proposed event center building would be located approximately 90 feet east of the eastern edge of the drainage channel and approximately 180 feet south of the Vineyard Avenue property line. The front of the building would face Vineyard Avenue. A delivery area would be located on the west side of the building. A deck is proposed on the rear (south) of the building. On-site parking for the hotel and event center is shown in Figure 2. A total of 176 parking spaces would be provided for the proposed development.

Access to the site would be modified from existing conditions. The existing driveway from Ruby Hill Boulevard would be eliminated. A new driveway off Vineyard Avenue, approximately 450 feet west of Ruby Hill Boulevard, would be constructed and serve as the only access in and out of the project site. A right-turn deceleration lane entering the project site and a right-turn acceleration lane exiting the project site would be installed on Vineyard Avenue at the new driveway. No details were provided regarding changes to bike and pedestrian facilities along Vineyard Avenue.

**Figure 2: Site Layout (partial)**



**Building Design and Uses**

**Hotel Building.** The existing, approximately 32-foot-tall two-story Mediterranean architectural style building is approximately 6,630 square feet in area. The proposed additions to the sides of the building would match the existing building design, colors, and materials (see Figure 3). The proposal would maintain the existing building height and would add first- and second-floor additions totaling approximately 13,789 square feet. The added square footage would generally be evenly distributed to the right and left sides of the existing building. With the proposed additions, the building would have a total building area of approximately 20,419 square feet. The building would be used as a 42-room hotel with 26 rooms downstairs and 16 rooms upstairs.

**Figure 3: Front Elevation of the Proposed Hotel**



**Event Center Building.** The new building would include multiple uses: lounge/restaurant, event center, spa, sports bar, art gallery, and conference center. Table 1 summarizes the location, floor area, and hours of operation of the proposed uses.

**Table 1: Summary of Uses**

	<b>Floor Area</b>	<b>Functions</b>	<b>Hours</b>	<b>Maximum Capacity</b>
<b>Main Level</b>	27,977 sq. ft.	Lounge  Restaurant  Special Events (e.g., weddings, receptions, reunions)	10am-10pm  10am-2pm (lunch) 5pm-10pm (dinner)  10am-10pm (by reservation)	672 guests 10 staff
<b>Mezzanine</b>	12,048 sq. ft.	Spa	9am-5pm	38 guests and staff
<b>Second Floor</b>	8,974 sq. ft.	Conference Center	Hours not specified	42 guests and staff
<b>Deck<sup>1</sup></b>				
<b>Roof deck</b>	9,583 sq. ft.	Conference Center	10am-10pm	Information not provided
<b>Rear deck</b>	4,919 sq.ft.			
<b>Basement</b>	13,176 sq. ft.	Sports Bar	Hours not provided	213 guests and staff

The applicant indicated that if the event center building is reserved for an event, such as a wedding, the hotel and spa would be exclusively used by the wedding party and guests and no other uses/activities, such as the lounge/restaurant, sports bar, or seminars/conferences would operate inside or outside of the event center building. A maximum of 672 guests and 10 staff are proposed for special events. The applicant also informed staff that a maximum of 672 people would be allowed at the event center building when the building is not being used for an event. The applicant stated that there would be outdoor activities in the roof deck area and that alcoholic beverages would be served outdoors in the roof deck area. Live and recorded music would be played indoors. No music (either live or recorded) would be played outdoors. In

<sup>1</sup> Staff notes that deck areas are not counted as building area.



addition, a south-facing rear deck would be developed, but specific uses were not specified in the application.

The proposed event center building would have a total of four floors: three above ground and one underground (basement). It would be approximately 44 feet, 9 inches in height and would have a Mediterranean architectural style (see Figure 4), echoing the proposed hotel building. A metal trellis would be constructed on the front elevation along with a metal canopy, emphasizing the building's entrance and functioning as a porte-cochere. A similar trellis would be constructed on the rear elevation facing the vineyards.

**Figure 4: Front Elevation of the Proposed Event Center**



### **CONSIDERATIONS FOR THE WORK SESSION**

Staff is presenting the proposed plans and uses to the Planning Commission for consideration and comment. This work session will allow the Planning Commission the opportunity to provide direction to the applicant and staff regarding any issues it wishes to be addressed prior to making a formal recommendation to the City Council on the project. The areas noted below are where staff would find the Planning Commission's input most helpful.

#### **Uses and Project Scope**

The General Plan designation for the project site is Open Space-Agriculture and Grazing, which allows only land or buildings used for agriculture or grazing. PUD approval for the Ruby Hill development allow for only viticultural uses on the project site, including planted vineyards, vineyard maintenance facilities, irrigation detention ponds, and other functions ancillary to wine production. To allow development of the proposed project, a General Plan amendment and Major PUD modification would be required.

As mentioned in the background section of this report, staff and the applicant met and discussed the project several times. Staff indicated that a small restaurant could possibly be supported on the site, and recommended that the scope of the project be generally consistent with the previous approval. The previously-approved project was a restaurant with private event activities and a future single-family residence. The private events were limited to a maximum occupancy of 230 guests (inside and out), and could only occur between 11:00 a.m. and 5:00 p.m. The restaurant, during normal operations, could operate between 6:00 p.m. and 11:00 p.m. Staff continues to believe the project should be redesigned to be similar in scale to the previous approval. Table 2 provides a comparison between the two existing event centers in the area, the previously-approved project on the project site, and the current proposal.

**Table 2: Comparison of Existing Event Centers, Previously Approved Project, and Currently Proposed Project**

	Palm Event Center and Rubio Estates Winery (1188 Vineyard Avenue)	Casa Real Event Center and Ruby Hill Winery (400 Vineyard Avenue)	Project Site	
			Previously Approved Project	Current Proposal
<b>Lot Area</b>	104 acres	55 acres	36 acres	
<b>Building Site Envelope</b>	7.3 acres	3.8 acres	2.5 acres	
<b>Buildings</b>	18,144 sq. ft. event center; 8,480 sq. ft. wine storage building	19,716 sq. ft. event center; 4,800 sq. ft. winery; caretaker's unit	6,630 sq. ft. restaurant with a 5,000 sq. ft. basement; a future custom residence limited to 6,600 square feet.	20,419 sq. ft., 42-room hotel; 48,999 sq. ft. event center with a 13,176 sq. ft. basement for the following uses: lounge/restaurant, event center, spa facility, sports bar, art gallery, and conference center
<b>No. of Stories</b>	One	One	Restaurant: Two plus a basement  Future home: Up to two	Hotel: Two  Event Center: Three plus a basement
<b>Maximum No. of Guests</b>	500 <sup>2</sup>	300 <sup>2</sup>	230 (180 indoors and 50 outdoors)	672
<b>Parking Spaces</b>	281	132	100	176

Discussion Point 1:  
*Does the Commission support the proposed uses/level of intensity of this proposal? If not, please provide guidance on what uses/level of intensity would be acceptable on this site.*

**Site Layout, Access, and Parking**

The proposed buildings would be linked by a parking lot and drive aisles. A new driveway to the project site would be constructed off of Vineyard Avenue and the existing driveway to the site near Ruby Hill entrance would be eliminated. Staff recommends the retention of the existing driveway (Figure 5), to allow farm vehicles to more easily access the site without using Vineyard Avenue. Other vehicles could be prohibited from using the existing driveway through the use of a gat or removable bollards at the driveway entrance.

In the past, Ruby Hill residents expressed concerns with the proximity of the previously-proposed commercial facilities to Ruby Hill residential uses. Because the proposed hotel use would be located approximately 420 feet from the nearest residential uses in Ruby Hill, and the

<sup>2</sup> Number of employees was not specified.

event center would also be located within close proximity to residential uses, there is a potential for the current site layout to generate neighbor concerns about land use compatibility.

**Figure 5: Existing Access Road**



A parking lot with a total of 176 parking stalls is proposed. The applicant indicated that if there is a special event at the event center, such as a wedding, then all facilities on the site including the hotel would be used exclusively by the event guests. However, the proposal does not specify that, when the event center is not reserved for a special event, which uses within the building would operate simultaneously and how parking would be provided for that scenario.

The parking regulations in the Pleasanton Municipal Code (PMC) requires hotels to provide at least one space for each guest sleeping room or one space for each two beds, whichever is greater, plus at least one space for each two employees. The proposed hotel would have 42 rooms and each room is furnished with one bed; thus, 42 parking spaces would be required for guests alone.

The PMC does not have a specific parking requirement for an event center. The applicant indicated there would be a maximum of 672 guests for a special event. With a maximum of 672 guests for a special event and with the event center building and the hotel being exclusively used by the special event guests, the proposed 176-stall parking lot would be sufficient only if every vehicle accessing the site transports an average of 3.8 guests (not including facility staff). Staff does not believe these expectations for carpooling are realistic, reinforcing the desire for a smaller project that would generate less overall activity and reduced parking demand than the

current proposal. In addition, the parking supply during non-special event operations could be even more impacted if less carpooling occurs.

Discussion Point 2:  
*Does the Commission support the proposed site layout, parking and access?*

**Building Mass and Bulk**

The proposed three-story, approximately 62,175-square-foot, 45-foot tall, 200-foot wide, 150-foot deep event center building would be located approximately 180 feet from the Vineyard Avenue property line along Vineyard Avenue. Table 4 and Table 5 compare the previously approved and currently proposed building dimensions and floor areas. As illustrated in these tables, the proposed buildings would be substantially larger than the previously-approved buildings. Furthermore, the size and location of the proposed structures would not be aesthetically consistent with the rural character of this stretch of Vineyard Avenue.

**Table 4: Existing Temporary Sales Office vs. the Proposed Hotel**

	<b>Existing</b>	<b>Currently Proposed</b>	<b>Difference</b>
<b>Building Width</b>	Approx. 83 feet	Approx. 160 feet	+77 feet
<b>Building Depth</b>	Approx. 60 feet	Approx. 60 feet	0
<b>Building Height<sup>3</sup></b>	Approx. 32 feet	Approx. 32 feet	0
<b>Building Area</b>	6,630 square feet	20,419 square feet	+13,789 square feet

**Table 5: Previously Approved Restaurant vs. the Proposed Event Center**

	<b>Previously Approved</b>	<b>Currently Proposed</b>	<b>Difference</b>
<b>Building Width</b>	Approx. 83 feet	Approx. 200 feet	+117 feet
<b>Building Depth</b>	Approx. 60 feet	Approx. 150 feet	+90 feet
<b>Building Height<sup>4</sup></b>	Approx. 32 feet	Approx. 44 feet 9 inches	+12 feet 9 inches
<b>No. of Stories above ground</b>	2	3	+1
<b>Building Area</b>	11,630 square feet	62,175 square feet	+50,545 square feet

Discussion Point 3:  
*Does the Commission support the proposed design of the buildings (including size and mass)?*

**PUBLIC COMMENT**

Notices for this work session were sent to surrounding property owners and tenants within a 1,000-foot radius of the site and the entire Ruby Hill development. At the time this report was published, staff received four calls and 47 emails from residents. One email was signed by 33 families. Among the calls and emails received, all but one opposes the proposed development. The oppositional comments express concerns related to traffic/congestion, noise, size of the project, and neighborhood safety. The Ruby Hill Homeowners Association also expressed concerns about the proposed development relating to traffic, access, noise, utilities, parking, land uses, building mass and bulk, and landscaping. Please refer to Exhibit F for comments received from the public.

<sup>3</sup> Height is measured from the existing grade to the highest point of the building.

<sup>4</sup> Height is measured from the existing grade to the highest point of the building.

## **ENVIRONMENTAL ASSESSMENT**

Since the Planning Commission will take no formal action on the project at the work session, no environmental document accompanies this work session report.

## **SUMMARY/CONCLUSION**

Staff requests the Commission to review the proposal, hear all public testimony, and provide comments to staff and the applicant regarding the project, the recommended discussion points or any other discussion topics.

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