



Date: May 27, 2008 for June 4<sup>th</sup> Agenda  
To: LAFCO Commissioners  
From: Patrick M. McCormick, Executive Officer  
Subject: Hotels and Motels as Conditional Uses in Watsonville's Industrial Park Zones

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After listening to a Watsonville resident's oral communication at the May 7, 2008 LAFCO meeting, the Commission directed staff to prepare a memo for review at the June 4, 2008 LAFCO meeting. The subject is the potential for the City of Watsonville to permit motels and hotels to be located in Industrial Parks, such as the Manabe-Ow area that was annexed in 2006.

When reviewing the proposed Manabe area annexation, LAFCO recognized the benefit of providing additional space in the region where new industries could locate and existing industries could expand. In order to address the issue of lands being rezoned to other uses following annexation, the property owners offered to covenant their properties so that this area would develop as a business park. The covenant was prepared and executed (Attachment B). Staff has underlined segments of the covenant (Attachment C) that limit the main areas of the annexation to business park uses and ancillary retail and personnel service uses.

The City of Watsonville has two industrial zonings. The heavy industrial areas are zoned General Industrial (IG). They are located in the south side of the city along Beach and Walker Streets. The uses in the IG zoning typically involve truck traffic, production noise, and odors 24 hours a day. In contrast, the Industrial Park (IP) zoning is limited to light industrial, business, and ancillary commercial and personal service uses. The IP zones are located near the airport, at Westridge adjacent to Highway 1, and in the newly annexed Manabe-Ow area off the Ohlone Parkway. The City staff report (Attachment C) explains that Watsonville captures a low percentage of the motel business in the County and would benefit from higher transient occupancy taxes. The staff notes that IP zones do not generally contain uses that are incompatible with hotels and motels, and recommends allowing hotels and motels in IP zones subject to a conditional use permit. The City staff does not believe that motel uses will result in a significant loss of land available for job-producing businesses.

On May 6, 2008, the City Planning Commission recommended the zoning code change, and on May 27, 2008, the City Council is scheduled to consider the zoning code change.

As called for in the City General Plan and prior to permitting development of the Manabe-Ow annexation area, the City is preparing a specific plan for the area. The draft plan (Attachment D) was reviewed at a technical advisory committee meeting on May 19, 2008. The website for the TAC is:

[http://www.ci.watsonville.ca.us/departments/cdd/tac\\_manabe\\_ow.html](http://www.ci.watsonville.ca.us/departments/cdd/tac_manabe_ow.html)

The current draft of the Manabe-Ow Specific Plan contains a list of permitted, conditionally permitted, and prohibited uses in the Manabe-Ow area. Motels and hotels are not on the list of permitted or conditionally permitted uses.

A newspaper article (Attachment E) identifies one site of interest for development of a motel. It is on Technology Drive near the airport and the hospital.

Attachments:

- A May 7, 2008 Letter of Ilia Bulaich
- B Manabe-Ow Covenant
- C May 15, 2008 City Staff Report to City Council
- D Excerpts from Draft Manabe-Ow Specific Plan
- E Newspaper Articles

cc: Ilia Bulaich  
Carlos Palacios, Watsonville City Manager  
John Doughty, Watsonville Community Development Director