



# Agenda Item

## Planning Commission

Item #: 7.1.

10/4/2021

File #: 21-0503

**TO:** Chair and Members of the Planning Commission

**THRU:** Anna Pehoushek, Assistant Community Development Director

**FROM:** Chad Ortlieb, Senior Planner

### 1. SUBJECT

**Public Hearing:** Conditional Use Permit No. 3144-21, Aspire Inn & Suites, 428 E. Lincoln Avenue

### 2. SUMMARY

The applicant proposes to operate a 28-room hotel in an existing 23,128 square foot, two-story with basement building located at 428 E. Lincoln Avenue.

### 3. RECOMMENDED ACTION

Adopt Planning Commission Resolution No. PC 24-21 entitled:

A Resolution of the Planning Commission of the City of Orange approving Conditional Use Permit No. 3144-21 to allow a 28-room transient-occupancy hotel in an existing 23,128 square foot, two-story with basement building located at 428 E. Lincoln Avenue.

### 4. AUTHORIZING GUIDELINES

Orange Municipal Code (OMC) Section 17.08.020 authorizes the Planning Commission to review and take action on conditional use permits for hotels.

### 5. PROJECT BACKGROUND

<i>Applicant and Property Owner:</i>	Alan Reay, Manager - Ennerdale 428 E Lincoln LLC
<i>Property Location</i>	428 E. Lincoln Avenue
<i>Existing General Plan Land Use Element Designation</i>	General Commercial; Max 1.0 FAR (GC)
<i>Existing Zoning Classification</i>	General Business (C-2)
<i>Old Towne</i>	No
<i>Specific Plan/PC</i>	No
<i>Site Size</i>	.61 acre (26,508 sq. ft.)
<i>Circulation</i>	The subject property is located mid-block on the south side of Lincoln Avenue. The City's Master Plan of Arterial Highways classifies Lincoln Avenue as a Major Arterial with a 120 foot right-of-way.

<i>Existing Conditions</i>	Existing 23,128 square foot, two-story with basement building and associated site improvements.
<i>Surrounding Land Uses and Zoning</i>	North: Multi-Family Residential (Townhomes) across Lincoln Avenue (R-3) East: Single-Family Residence (C-2) South: Single-Family Residence (R-1-7) West: Commercial - Restaurant; General Business (C-2)
<i>Previous Applications/Entitlements</i>	On July 6, 2015, the Planning Commission adopted Resolution No. PC 19-15 approving CUP No. 2948-14, MJSP No. 0782-14, and DRC No. 4752-14; for the construction of the building, site improvements, and the operation of a hotel, then named JR Motel. On March 2, 2020, the Planning Commission adopted Resolution No. PC 06-20 recommending that the City Council revoke CUP No. 2948-14 on the basis that the City gathered a significant amount of evidence demonstrating violations of the conditions of CUP No. 2948-14, violations of other ordinances and provisions of law, and operations were inconsistent with a motel use. On April 14, 2020, the City Council approved Resolution No. 11221 revoking and repealing CUP No. 2948-14 in its entirety on the same basis as determined by the Planning Commission.

## 6. PROJECT DESCRIPTION

The applicant proposes to operate a 28-room hotel for typical short-term stays in an existing 23,128 square foot, two-story with basement building located at 428 E. Lincoln Avenue. Construction of the hotel building and site improvements were completed in 2017 subsequent to receiving the entitlements mentioned in the "Previous Applications/Entitlements" section of this staff report. The original CUP for the motel was revoked due to failure to operate the facility as a motel, but instead as a long-term stay component of an international birthing business.

Attachment 4, the applicant's letter of justification for the application addresses several of the prior violations at the property as documented in the attached Planning Commission and City Council staff reports and minutes (Attachments 9-19). The applicant's letter states an intent to operate predominately for transient occupants, operate under a new hotel name, advertise through industry platforms, be available to the general public for reservations, utilize the existing kitchen similar to other hotels, facilitate unrestricted access for guests and the public 7 a.m. to 9 p.m. with controlled access after those times, have a manager attend a reception desk, and continue to render non-habitable understory-space area as unusable.

The applicant's operational description may be supplemented by the recommended conditions of approval summarized as follows:

Condition No.	Condition Summary
1, 12, and 25.	The use shall operate in perpetuity as a 28-room transient occupancy hotel and not as a boarding or lodging house.
6.	All conditions from the original entitlement (Resolution No. PC 19-15) must continue to be complied with, particularly site configuration, maintenance, and operations.
7.	The City will be paid transient occupancy tax, collected and remitted by the permittee.

8 and 9.	Records of guest stays and receipts for all services shall be maintained and provided to the City upon request.
10.	City inspection of the facilities may occur on request.
11.	Revocation may occur for any condition or code violations.
13.	Each room in the building is solely limited to those uses shown on the floor plans.
15.	The hotel shall be open for guest and public access during daylight hours and access shall occur in the evenings via key or combination for guests and a manager-attended intercom shall be provided in the evenings. Access shall be granted within 5 minutes of intercom communication.
17 and 18.	Facilities, including the kitchen, shall be exclusively used by registered guests and not used for conventions or a public restaurant.
19.	A manager shall be on-site at all times and available to a reception desk. The manager's contact information shall be provided to all adjacent properties.
20.	Other than the manager, hotel staff may not live on-site.
21.	The hotel shall advertise in hospitality industry outlets and rooms shall be open to the general public.
23.	The non-habitable understory space may not be used for any purpose whatsoever.
24.	Hotel rooms shall not be used for parties.
26 - 31.	The hotel shall comply with all licensing, noise control, graffiti maintenance, parking, and lighting glare control requirements of the code and conditions.
35.	A hotel sign shall be installed on-site
36, 39, 40, and 41.	Existing lighting shall be inspected to ensure it complies with the photometric plan and does not produce glare to neighboring properties.
37.	Understory space shall have a sprinkler system permitted and inspected to the satisfaction of the Fire Department.

With the project conditions, staff believes that a community-serving hotel can be facilitated at the site without any anticipated problems.

A review of development standards is not necessary for this application because the building was approved for, and constructed as, a hotel. At the time of final inspection, the hotel complied with all development standards.

## 7. ANALYSIS AND STATEMENT OF THE ISSUES

### Issue 1: Prior Operations

The prior owner and operator of the site had building and operational violations as detailed in the April 14, 2020, City Council Staff Report (Attachment 17). Those violations ultimately led to

revocation of the prior motel CUP. However, this property is under new ownership that is seeking to operate a hotel under a new business owner. The documented building code violations were addressed at the time City inspections concluded in 2020 with the exception of a Fire Department concern that the understory space requires a fire sprinkler system. Recommended Condition No. 38 is anticipated to resolve the matter of fire sprinkler needs for the building prior to occupancy. The totality of project conditions have been crafted to address any concerns related to establishing a new hotel at the site.

#### Issue 2: Future Ownership

Atlas Hospitality Group is a hotel property real estate marketing company and owns the property. It is probable that, if approved, the hotel on this site would be sold to a new owner and operator. Given that the 28-room hotel does not have comparable room capacity to most large hotel chains, it is unknown who the future operator would be. Hence a track record of maintenance and service standards by a future operator is not available at this time. However, regardless of the operator, the totality of project conditions are anticipated to address any use concerns from establishment of a new hotel at the site.

## **8. PUBLIC NOTICE**

On September 23, 2021, the City sent a Public Hearing Notice to a total of 136 property owners/tenants within a 300-foot radius of the project site and persons specifically requesting notice. The project site has been posted in one location with the notification on that same date. The project notice was also posted at City Hall, the Main Library, and placed on the City website.

## **9. ENVIRONMENTAL REVIEW**

**Categorical Exemption:** The proposed project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) per State CEQA Guideline 15301 (Class 1 - Existing Facilities) because the project consists of permitting a hotel use in an existing vacant building that was constructed for as a hotel use. No public review is required.

## **10. ADVISORY BOARD ACTION**

No advisory board action was merited for this project because the site is developed with a building intended as a hotel. Planning Division staff worked to obtain any conditioning needs from Police, Fire, and City Attorney staff.

## **11. ATTACHMENTS**

- Attachment 1 - Planning Commission Resolution No. PC 24-21
- Attachment 2 - Vicinity Map
- Attachment 3 - Site Photographs
- Attachment 4 - Applicant Project Justification Letter
- Attachment 5 - Planning Commission Staff Report Dated July 6, 2015
- Attachment 6 - Planning Commission Resolution No. PC 19-15 (Original Approval)
- Attachment 7 - Approved Plans date stamped July 6, 2015
- Attachment 8 - Planning Commission Minutes Dated July 6, 2015

- Attachment 9 - Planning Commission Staff Report Dated October 7, 2019
- Attachment 10 - Planning Commission Minutes Dated October 7, 2019
- Attachment 11 - Planning Commission Staff Report Dated November 4, 2019
- Attachment 12 - Planning Commission Minutes Dated November 4, 2019
- Attachment 13 - Planning Commission Minutes Dated December, 16, 2019
- Attachment 14 - Planning Commission Staff Report Dated March 2, 2020
- Attachment 15 - Planning Commission Resolution No. PC 06-20 (Recommendation to Revoke)
- Attachment 16 - Planning Commission Minutes Dated March 2, 2020
- Attachment 17 - City Council Staff Report Dated April 14, 2020
- Attachment 18 - City Council Resolution No. 11221 (Revocation)
- Attachment 19 - City Council Minutes Dated April 14, 2020
- Attachment 20 - Project Plans Dated October 4, 2021