

**STAFF REPORT – PLANNING
CITY OF TEMECULA
PLANNING COMMISSION**

TO: Planning Commission Chairperson and members of the Planning Commission

FROM: Matt Peters, Interim Director of Community Development

DATE OF MEETING: November 20, 2024

PREPARED BY: Scott Cooper, Case Planner

PROJECT SUMMARY: Planning Application No. PA22-0035, a Development Plan for the construction of an approximately 285,125 square foot, 350 room, seven (7) story, full service hotel that includes an approximately 174,382 square foot parking garage, conference facilities/ballrooms, full service spa, restaurants, bars/lounges, retail outlets, workout facility, outdoor pool area, and an outdoor wedding garden; and PA22-0037, a Tentative Parcel Map (TPM 38349) to combine ten existing lots into a single lot. The project is located on the east side of Old Town Front Street between First Street and Second Street (APNs: 922-072-005, 007, 010, 011, 013, 016, 018, 020, 021, and 023)

RECOMMENDATION: Adopt Resolutions approving the project subject to Conditions of Approval

CEQA: Categorically Exempt
Section 15332, Class 32, In-Fill Development Projects

PROJECT DATA SUMMARY

Name of Applicant: Steve Kim

General Plan Designation: Specific Plan Implementation (SPI)

Zoning Designation: Old Town Specific Plan (SP-5)

**Existing Conditions/
Land Use:**

Site: Vacant / Specific Plan Implementation (SPI)

North: Interstate 15 / Open Space (OS), Low Medium Density Residential (LM)

South: First Street, Old Town Front Street, Commercial Buildings / Specific Plan Implementation (SPI)

East: First Street, Interstate 15, Commercial Building / Specific Plan Implementation (SPI)
 West: Second Street, Commercial Building / Specific Plan Implementation (SPI)

	<u>Existing/Proposed</u>	<u>Min/Max Allowable or Required</u>
Lot Area:	2.15 Acres	0.08 Acres Minimum
Parking Provided/Required:	380 Parking Spaces	379 Parking Spaces (required)

BACKGROUND SUMMARY

On January 7, 2022, Steve Kim submitted Planning Application No. PA22-0035, a Development Plan for the construction of an approximately 285,125 square foot, 350 room, seven (7) story, full service hotel that includes an approximately 174,382 square foot parking garage, conference facilities/ballrooms, full service spa, restaurants, bars/lounges, retail outlets, workout facility, outdoor pool area, and an outdoor wedding garden. On January 10, 2022, Steve Kim submitted Planning Application No. PA22-0037, a Tentative Parcel Map (TPM 38349) to combine ten existing lots into a single lot. The project is located on the east side of Old Town Front Street between First Street and Second Street

On July 26, 2022, the project was presented at a public meeting of the City Council Old Town Steering Committee which consisted of Councilmembers Jessica Alexander and Zak Schwank. A representative of the applicant along with two (2) members of the public were in attendance. There were concerns from the Steering Committee in regard to how the building interacts with Old Town, the “canyon effect” along Second Street, the location of the pool on the eastern and not western side of the building, and the massing of the building. The Steering Committee encouraged the applicant’s representative to listen to staff.

On September 27, 2022, the project was presented at a public meeting of the City Council Old Town Steering Committee which consisted of Councilmembers Jessica Alexander and Zak Schwank. The applicant team and one (1) member of the public were in attendance. There were concerns from the Steering Committee in regard to how the building interacts with Old Town, the “canyon effect” along Second Street, the location of the pool on the eastern and not western side of the building and the massing of the building as seen at the southern entrance to Old Town.

On October 19, 2022, staff presented the project to the Planning Commission Old Town Temecula Subcommittee which consisted of Planning Commissioners Lanae Turley-Trejo and Gary Watts. The applicant was not present for this meeting and staff did provide the comments from this meeting as part of the fourth project comment letter dated October 24, 2022. There were concerns from the Subcommittee in regard to the massing of the building and lack of building articulation along the streets, the entrance to the hotel should be a grand entrance that draws people into the building, location of the pool adjacent to the freeway as opposed to being located on the western side of the building facing and interacting with Old Town, the outside of the building has to be right and fit in Old Town, and that the project should not move forward to Planning Commission unless every development standard in the Specific Plan has been met.

On April 25, 2023, the project was presented at a public meeting of the City Council Old Town Steering Committee which consisted of Mayor Zak Schwank and Councilmember Curtis Brown. The applicant team was in attendance. The concerns from the Steering Committee were not a single item but the “totality” of everything and the applicant team was encouraged to continue to work with staff. When the applicant indicated that he wanted to move on to Planning Commission without addressing outstanding staff comments the Steering Committee said to take it to Planning Commission.

On May 23, 2023, the project was presented at a public meeting of the City Council Old Town Steering Committee which consisted of Mayor Zak Schwank and Councilmember Curtis Brown. The applicant team was in attendance. The Steering Committee had concerns that nothing had changed since the project was last presented to the Steering Committee and they have a duty as council members to the residents of the City for the project to comply with the Specific Plan.

On September 6, 2023, the proposed project was considered by the Planning Commission at a Public Hearing. At the conclusion of the hearing the Planning Commission voted to accept the staff recommendation of redesign of the project in order to comply with the development standards of the Old Town Specific Plan.

On January 14, 2024, staff presented the project to the Planning Commission Old Town Temecula Subcommittee which consisted of Planning Commissioners Lanae Turley-Trejo and Gary Watts. The applicant’s attendance was not requested for this meeting and staff did provide the comments to the applicant following the meeting. There was a discussion regarding “standards vs guidelines” and the subcommittee indicated that while there is improvement that had been made to the project, the project had not gone far enough.

On March 20, 2024, staff presented the project to the Planning Commission Old Town Temecula Subcommittee which consisted of Planning Commissioners Lanae Turley-Trejo and Gary Watts. The applicant’s attendance was not requested for this meeting and staff did provide the comments to applicant following the meeting. There was a discussion regarding an architectural design guideline on Page V-19 of the Old Town Specific Plan as it relates to building form and how that pertains to the proposed project and to Old Town. At the conclusion of the meeting the subcommittee recommended that the revised project as a whole be presented to the other Planning Commissioners prior to any public hearing in the form of 1:1 or 2:1 meetings and that the architectural guideline from Page V-19 of the Old Town Specific Plan be added to the staff report.

On May 15, 2024, the proposed project was considered by the Planning Commission at a Public Hearing. At the conclusion of the hearing the Planning Commission voted for redesign of the project in order to further comply with the development standards of the Old Town Specific Plan as well as requested that the pool area be relocated from the freeway side of the building to a location that provides engagement with Old Town, that additional horizontal and vertical articulation of the building is provided, and that the hotel provides functioning balconies.

On September 12, 2024, staff presented the project to the Planning Commission Old Town Temecula Subcommittee which consisted of Planning Commissioners Lanae Turley-Trejo and Gary Watts. The applicant’s attendance was not requested at this meeting. There was a

discussion regarding the changes made to the project including the new location of the pool located on Old Town Front Street, the massing of the building, and the balconies.

On September 18, 2024, staff and the applicant presented the project to the Planning Commission Old Town Temecula Subcommittee which consisted of Planning Commissioners Lanae Turley-Trejo and Gary Watts. The presentation of the revised project focused on the revised pool location on Old Town Front Street, articulation of the building, and the balconies. The subcommittee indicated that while there was improvement that had been made to the project and that the applicant listened to the direction of the Planning Commissioners at the previous hearing, the massing along Old Town Front Street and First Street was still an issue and the corner of Old Town Front Street and First Street should be a focal point of the project. There was discussion on locating the pool to this corner/side of the building in order to push the massing of the building further back off of the streets and to maximize the engagement with Old Town.

On October 10, 2024, staff and the applicant presented the project to the Planning Commission Old Town Temecula Subcommittee which consisted of Planning Commissioners Lanae Turley-Trejo and Gary Watts. The presentation of the revised project focused on the location of the pool moving to the corner of Old Town Front Street and First Street, additional building articulation, and the design and location of functioning balconies. After discussion between staff, the subcommittee, and the applicant regarding the revised project it was determined that staff would follow up with the applicant regarding next steps.

Staff has worked with the applicant to ensure that all concerns have been addressed, and the applicant concurs with the recommended Conditions of Approval.

ANALYSIS

Site Plan

The proposed project entails a seven (7) story full service hotel connected to a four (4) level parking garage containing one (1) basement level and three (3) above ground levels housing 380 parking spaces. A floor-by-floor breakdown of the programming of the hotel is as follows:

- 1st Floor (street level): exterior entrance to the hotel from Old Town Front Street, interior entrance to the hotel from the parking garage, registration area, ballroom, banquet lounge, family restaurant with a private dining area, offices, retail spaces, outdoor dining and back of house uses.
- 2nd Floor: ballroom, meeting rooms, day spa facilities including treatment rooms, sauna, steam room and lounges, beauty salon, boutique, restaurant with outdoor dining, kids' room, gym facility, yoga room, and retail outlets.
- 3rd Floor: guest rooms including five (5) rooms with decks that overlook Second Street and an additional 10 on the western facing elevation, wedding garden and a dog park/run including clear acrylic sound panels on the rear of the building and a pool area overlooking Old Town Front Street and First Street.
- 4th Floor to 6th Floor: guest rooms

- 7th Floor: guest rooms including 14 rooms with a deck area for the guests.

The vehicle access to the proposed project is from both First Street and Second Street utilizing the parking garage which includes a drop off area. The project proposes 380 parking spaces which exceeds the required number of 379 parking spaces accounting for the proposed 350 hotel rooms and approximately 8,507 square feet of meeting space, electric vehicle parking spaces, bike racks, and motorcycle parking.

Pedestrian access to the lobby of the hotel is from an entrance off of Old Town Front Street which enters into a hallway that guides guests, tourists, and residents to the lobby. Access to the lobby is also provided internally from the parking garage, which offers pedestrian entrances from First Street and Second Street that are separated from the vehicle entrances in order to avoid the pedestrian versus vehicle interaction. An entrance on the corner of Old Town Front Street and First Street offers a direct entrance into the first floor restaurant and two separate entrances on Second Street provides for access to retail outlets. Outdoor dining is proposed both on Old Town Front Street and First Street.

Architecture

The primary architectural style of the proposed project is Neo-Classical Revival which is an allowed architectural style per the Old Town Specific Plan. Style elements included within the design of the project include prominent vertical columns extending from the ground to the top of the first floor and second floor and also from the third floor to the top of the building connecting with the roofline pediments that contain a motif. A decorative horizontal band is utilized between the first and second floors in order to break up the strong massing of the base of the building. A vertical quoin architectural element on the corners of the building assists in the breaking up of the primary stucco element on all building facades. Shopfront and gallery frontages are used interchangeably along the streetscape of the project allowing for outdoor dining and street activation areas. A gallery frontage is proposed along First Street and wraps around the corner onto Old Town Front Street which assists in breaking up the massing of the base of the building. The roof of the gallery also provides balcony space off the second floor restaurant which activates the area of First Street below. Second Street combines shopfront and gallery frontages and due to the existing conditions of a cul-de-sac it allows for an additional step back of the massing of the building from Second Street which provides for additional building articulation.

Downtown Core/Hotel Overlay Zoning District

The proposed project is located within the Downtown Core/Hotel Overlay District. On May 25, 2010, the City Council adopted Ordinance 10-09 which, among other things, allows for the development of a full service hotel at a greater building height than other buildings in Old Town (up to eight stories and 100 feet in height). This height allowance is an incentive to bring additional economic activity into Old Town including conventions, large meetings, and groups. In order to receive the height incentive and designation of a full service hotel the project is required to meet the development standards of the zoning district in addition to the supplemental requirements which include:

- Hotel lobbies shall be located along streets, plazas, courtyards or sidewalks to create visual interest for pedestrians.

- Hotel rooms shall be accessed from an interior hallway.
- Hotel shall provide an onsite restaurant with table service provided primarily by waitperson, seating for at least thirty customers, and full menu service offering multiple entrees with on-site food preparation.
- Hotel shall provide conference facility space to accommodate a minimum of 1,000 people.
- Development shall be designed to create an outdoor pedestrian space(s) featuring amenities such as benches, outdoor dining, public art, gardens, courtyard, forecourt or a plaza.
- Building facades shall be articulated with wall offsets, recesses, opening, ornamentation, and colors and materials, to add texture with special detail to the streetscape.
- Pool and spa facilities are permitted on patios, balconies, or terraces located on the second floor or above when integrated into the building architecture and design.

The project, as proposed, meets all the design criteria and development standards of the Hotel Overlay Zoning District.

Project Design

At the Planning Commission Meeting on May 15, 2024, the Planning Commission identified design concerns with the project and recommended that the applicant (1) relocate the pool to a location that provides engagement with Old Town, (2) provide additional horizontal and vertical articulation of the building, and (3) provide functioning balconies. The proposed project has addressed those design concerns in the following manner:

- Functioning Balconies

The concerns of the Planning Commission has been addressed with the addition of functioning balconies for 65% of the guest rooms:

- 3rd Floor - 56 of 72 guest rooms feature balconies or decks or, in the case of the pool and wedding areas, sliding doors that lead out to the amenity areas.
- 4th Floor to 6th Floor – 45 of 72 guest rooms on each floor have balconies.
- 7th Floor – 36 of 62 guest rooms have balconies or decks.

In addition, the depth of the functioning balconies has been increased from 2'-6" to 4'-0" providing for additional outdoor area. Also, the rooms that do not contain functioning balconies provide smaller balconies or railings which gives guest the ability to open the sliding doors in the room.

- Location of the Pool

The pool which had previously been located at the rear of the building, adjacent to Interstate 15, has been relocated to the south side of the building at the corner of Old Town Front Street and First Street. This will allow for more engagement with Old

Town, allows for the building massing along First Street to be greatly reduced, and opens up the corner of the building, moving the massing of the building away from Old Town Front Street and First Street. The design also provides for a much more inviting area of the building that will be the first thing that people see when entering the southern arch of Old Town.

- Building Articulation

Decks have been added to the 7th floor of the building on Old Town Front Street, First Street, Second Street, and the elevations facing the existing Rodeway Inn. Where these decks are located it provides an additional setback of the building of four to six feet. As discussed above, the pool location changing from the rear of the building to the corner of Old Town Front Street and First Street results in pushing the massing of the building back approximately 45 feet on First Street for the majority of the building. The elevation along Old Town Front Street includes an approximately 3'-6" recess in the center of the building and an approximately 6'-0" recess at the location of the corner balconies. Additionally, including additional balconies and decks provides further building articulation to break up the wall planes.

Landscaping

The project provides the required street trees along with additional shrubs, accent plantings, and trees on the interior of the project including the pool area and wedding garden. All plant materials proposed are consistent with the requirements of the Old Town Specific Plan.

Tentative Parcel Map

The Tentative Parcel Map will allow for the conversion of ten existing parcels into a single parcel. The new parcel conforms to the Old Town Specific Plan, the City's Development Code, the Subdivision Ordinance, and the Subdivision Map Act. The parcel created meets the minimum parcel size requirements of the Old Town Specific Plan. The minimum parcel size allowed in the Downtown Core/Hotel Overlay District is 3,500 square feet (0.08 acres). The proposed parcel is 2.15 acres.

LEGAL NOTICING REQUIREMENTS

The notice of the public hearing was published in the *Press Enterprise* on November 7, 2024, and mailed to the property owners within a 600-foot radius.

ENVIRONMENTAL DETERMINATION

In accordance with the California Environmental Quality Act, the proposed project has been deemed to be categorically exempt from further environmental review (Section 15332, In-Fill Development Projects);

(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

The project is consistent with the applicable General Plan designation because hotels are an allowable use within the Downtown Core zoning designation of the Old Town Specific Plan. The

project also meets all applicable General Plan policies and Zoning regulations including General Plan Land Use Policy 7.1 which encourages revitalization of Old Town through implementation of the Old Town Specific Plan and General Plan Economic Development Policy 6.4 which encourages development of lodging along the freeway.

(b) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

The project is located within City limits and is located on a site that is 2.15 acres in size. The proposed project is substantially surrounded by industrial development, vacant land zoned for industrial development, and major roadways.

(c) The project site has no value as habitat for endangered, rare or threatened species.

The proposed project is located on a project site that is located within an MSHCP criteria cell. As part of the entitlement on this site the project went through the HANS/JPR process with the Regional Conservation Authority in which JPR 22-01-26-01 determined that the project is consistent with both the criteria and other plan requirements and no conservation of land was required. The JPR also determined that the project site did not contain any riparian/riverine/vernal pools on the site. The project site is not located within a narrow endemic plant species survey area or an area that requires additional surveys for plants. The property is not located adjacent to existing or proposed conservation areas.

(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.

The proposed project was required to prepare a Project-Specific Water Quality Management Plan (WQMP) that was reviewed and conceptually accepted for entitlement by City Staff as the WQMP meets the requirements of the City of Temecula. A traffic analysis was not required as part of this project as the proposed use is allowed within the Downtown Core zoning district of the Old Town Specific Plan, and there is nothing unique about this project that would trigger the need for a traffic analysis. Therefore, the project is not anticipated to result in any significant effects relating to traffic, noise, air quality, or water quality as the project is an allowed use per the City of Temecula General Plan and the zoning district.

(e) The site can be adequately served by all required utilities and public services.

The project site is surrounded by development and is able to be serviced by all required utilities and public services.

FINDINGS

Development Plan (Code Section 17.05.010.F)

The proposed use is in conformance with the General Plan for Temecula and with all applicable requirements of State law and other Ordinances of the City.

Hotels are an allowable use within the Downtown Core zoning district of the Old Town Specific Plan. Therefore, the use is consistent with the General Plan for Temecula and the Old Town Specific Plan as well as the requirements for State law and other Ordinances of the City. Additionally the project meets Policies 6.3 and 6.4 of the General Plan by expanding Old Town's

role in local tourism by providing additional hotel rooms as well as providing lodging along the freeway.

The overall development of the land is designed for the protection of the public health, safety, and general welfare.

The overall design of the project, including the site, building, parking, circulation and other associated site improvements, is consistent with, and intended to protect the health and safety of those working and living in and around the site as the site exceeds the number of required parking spaces and adheres to the development standards of the Old Town Specific Plan. The project has been reviewed for, and as conditioned, has been found to be consistent with all applicable policies, guidelines, standards and regulations intended to ensure that the development will be constructed and function in a manner consistent with the public health, safety, and welfare.

Tentative Maps (Section 16.09.140)

The proposed subdivision and the design and improvements of the subdivision are consistent with the Development Code, General Plan, any applicable Specific Plan and the City of Temecula Municipal Code.

Tentative Parcel Map No. 38349 has been designed in a manner that is consistent with and meets all development and design standards of the General Plan, the Subdivision Ordinance, the Development Code, the Municipal Code, and the Old Town Specific Plan.

The tentative map does not propose to divide land which is subject to a contract entered into pursuant to the California Land Conservation Act of 1965, or the land is subject to a Land Conservation Act contract but the resulting parcels following division of the land will not be too small to sustain their agricultural use.

The subject parcel does not propose to divide land which is subject to a contract entered into pursuant to the California Land Conservation Act of 1965. The subject property has not been designated for conservation or agricultural land, and is not subject to the California Land Conservation Act of 1965.

The site is physically suitable for the type and proposed density of development proposed by the tentative map.

The project consists of a Tentative Parcel Map on vacant property that is suitable and designated for commercial development, which is consistent with the allowable land uses of the Old Town Specific Plan, General Plan, and Development Code. The proposed Tentative Parcel Map would combine ten existing lots into a single lot. The project site is physically suitable to accommodate a hotel and the required parking to meet the needs of the hotel.

The design of the subdivision and the proposed improvements, with Conditions of Approval are not likely to cause significant environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

The project consists of a Tentative Parcel Map on vacant property. A Joint Projects Review #22-01-26-01 was completed for this project which determined that the project is consistent with both the criteria and other plan requirements of the Multiple Species Habitat Conservation Plan and does not require for any acreage to be designated for conservation. Therefore, the design of the subdivision and the proposed improvements, with Conditions of Approval, will not likely cause significant environmental damage or substantially and avoidably injure fish or wildlife or their habitat.

The design of the subdivision and the type of improvements are not likely to cause serious public health problems.

The project has been reviewed and conditioned to ensure compliance with the Building, Development, and Fire Codes. These codes contain provisions to ensure projects do not cause serious public health problems. Negative impacts are not anticipated.

The design of the subdivision provides for future passive or natural heating or cooling opportunities in the subdivision to the extent feasible.

The project consists of a Tentative Parcel Map on vacant property. Any future development on the project site will be in accordance with the requirements of the California Building Code in effect at that time as it relates to heating and cooling.

The design of the subdivision and the type of improvements will not conflict with easements acquired by the public at large for access through or use of property within the proposed subdivision, or the design of the alternate easements which are substantially equivalent to those previously acquired by the public will be provided.

All required rights-of-way and easements have been provided on the Tentative Map. The City has reviewed these easements and has found no potential conflicts.

The subdivision is consistent with the City's parkland dedication requirements (Quimby).

This map is for a non-residential use and will not be subject to Quimby fees.

- ATTACHMENTS**
1. Aerial Map
 2. PC Resolution – Development Plan
 3. Exhibit A - Draft Conditions of Approval - Development Plan
 4. Exhibit B - Plan Reductions - Development Plan
 5. PC Resolution – Tentative Parcel Map
 6. Exhibit A - Draft Conditions of Approval - Tentative Parcel Map
 7. Exhibit B - Plan Reductions – Tentative Parcel Map
 8. Notice of Exemption
 9. Notice of Public Hearing