

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

TO: Planning Commission Chairperson and members of the Planning Commission

FROM: Luke Watson, Deputy City Manager

DATE OF MEETING: May 15, 2024

PREPARED BY: Scott Cooper, Case Planner

PROJECT SUMMARY: Planning Application No. PA22-0035, a Development Plan for the construction of an approximately 288,269 square foot, 355 room, seven (7) story, 91-foot, 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 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:	385 Parking Spaces	384 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 288,269 square foot, 355 room, seven (7) story, 91-foot, 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 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 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.

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, 91-foot, full service hotel connected to a four (4) level parking garage containing one (1) basement level and three (3) above ground levels housing 385 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, 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, wedding garden overlooking Old Town Front Street, pool/spa area, and a dog park/run.
- 4th Floor to 7th Floor: guest rooms

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 385 parking spaces which exceeds the required number of 384 parking spaces accounting for the proposed 355 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 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 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 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.

Old Town Specific Plan Design Standards

The Old Town Specific Plan provides development standards for all projects within the Old Town Specific Plan area. The standards are intended to ensure that proposed development within the Old Town area occurs in a manner that is consistent with the community's vision for building form, massing, architectural character, and the building's relationship to the street and public realm. All proposed development projects shall be designed in compliance with those standards. At the Planning Commission Meeting on September 6, 2023, staff recommendation was for a redesign of the project in order to comply with the development standards of the Old Town Specific Plan. The project failed to meet standards as it related to the pedestrian experience and the building relationship to the street along with the proposed building articulation. The proposed project now meets those standards in the following manner:

- Pedestrian Experience and the Building Relationship to the Street

The previous project design did not promote or provide a pedestrian friendly experience, atmosphere, or streetscape, enliven the streets, and did not provide a visual interest for pedestrians along any of the frontages along First Street, Second Street, and Front Street other than entrances into the building. The building turned its back to the public realm while containing all elements of the project internal to the building and not incorporating pedestrians. Additionally, outdoor pedestrian space(s) featuring amenities such as benches, outdoor dining were not provided. The revised project design now includes outdoor patio dining along both First Street and Front Street. The hotel entrance along Front Street has been redesigned to include a more angled recessed inviting opening and revised canopy that now extends over both the entrance to the hotel and a new outdoor dining area. Overall, the revisions made to the project enhance the pedestrian experience and building relationship to the street and meet all the development standards of the Old Town Specific Plan.

- Building Articulation

The previous project design proposed either a 1-foot or 2-foot building articulation or offset every 50' or less on all sides of the building. The shopfronts facing First Street, Second Street, and Front Street all exceeded 100' and did not propose architectural elements into the facades that conveyed the appearance of multiple shops. The revised project has increased the building articulation or offset to either 2-feet or 3-feet. The repetitive windows along the street frontages have been revised from the same window design on both the first and second floor to arched windows on the second floor and rectangle windows on the first floor while also incorporating three (3) new entrances into retail spaces which breaks up the building façade. The new entrances also provide for multiple shopfronts along the frontage of the building that are distinguished from one another and adds additional character and articulation instead of one large façade. Overall, the revisions made to the project enhance the building articulation and meet all the development standards of the Old Town Specific Plan.

Project Design

At the Planning Commission Meeting on September 6, 2023, staff identified design concerns in the form of the corner of Old Town Front Street & First Street and the Second Street pedestrian experience. The proposed project has addressed those design concerns in the following manner:

- Corner of Old Town Front Street & First Street

The location of this project on the corner of Old Town Front Street and First Street provides for a unique opportunity to incorporate corner architectural elements into the project that are the focus of the building. This is the first building that people will see when entering the southern arch of Old Town and has the opportunity to make a statement of a transformative project by incorporating appropriate architectural expression and variation that makes the corner of the building stand apart. The previous project design for the corner of the building was no different than any other portion of the building. The revised project has incorporated a gallery

architectural element with a large arch on the corner by extending the gallery on First Street around the corner to Front Street. The roof of the gallery also provides for the ability to provide outdoor dining, which in turn activates the corner of the building and makes a statement as the first building that people will see when entering Old Town via the southern arch.

- Second Street Pedestrian Experience

Previous Project Design:

The length of the building frontage along Second Street is approximately 195'. As previously proposed the Second Street pedestrian experience contained an approximately 900 square foot retail outlet with an entrance which spanned approximately 52' of the frontage (27%), pedestrian and vehicle entrances into the building, a storage room, fire sprinkler riser room, electrical room, and transformer room. Approximately 99' (51%) of the frontage, as previously proposed, was for "back of the house" uses that did not contribute to the pedestrian experience on a corner in Old Town where, across the street, is a commercial building containing restaurants and retail uses along the first floor.

Revised Project Design:

The length of the building frontage along Second Street is approximately 195'. As proposed the Second Street pedestrian experience contains an approximately 2,580 square foot retail outlet with an entrance which spans approximately 124' of the frontage (64%), pedestrian and vehicle entrances into the building, and a new second approximately 628 square foot retail outlet with an entrance which spans approximately 25' of the frontage (13%). Retail frontage has been increased from 27% of the frontage to 77% while including a gallery along a portion of the frontage and the "back of the house" uses has been reduced from 51% to 0% as they have all been relocated to other areas off the proposed project not along the frontage of the building. The revised project design contributes to the pedestrian experience on a corner in Old Town where, across the street, is a commercial building containing restaurants and retail uses along the first floor.

As with the previous project design, on the third story are five (5) decks for use by hotel guests staying in those rooms.

Additional Design Concerns

While the Specific Plan does not provide Development Standards for all aspects of the project, staff has identified design concerns that have been commented on and discussed with the applicant during the entitlement process. Those concerns include:

- Architectural Design Guideline

Page V-19 of the Old Town Specific Plan details an architectural design guideline related to building form that reads "Variety on street edges was created through the use of various frontage types (galleries, arcades, etc.). Future Buildings in Old Town are encouraged to reinforce this historic pattern through the use of simple and

clear building massing, enlivened with various frontage types. Building facades that exceed 50 linear feet should incorporate varying architectural expression, character, and rooflines so as to appear to be up of various smaller facades”. This is a design guideline within the Specific Plan and not a development standard and therefore cannot be required to be integrated into the project by staff.

- Pool Location

The location of the pool facility along and above Interstate 15 has been a concern with staff since the Pre-Application stage of the project. A shade study was requested and provided by the applicant that showed at 3:00 p.m. on the longest day of the year (Summer solstice June 21st) the majority of the pool and pool deck will be located in the shade. Per the Specific Plan 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. While the location of the pool area is integrated into the building design staff has concerns pertaining to noise, automobile emissions, and the amount of shade that occurs over the proposed pool area with a western setting sun.

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 May 2, 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 will be 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.

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. 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 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 and does not propose any grading, construction or development. As conditioned, the project is not likely to cause significant environmental damage or substantially and avoidably injure fish or wildlife or their habitat as the project site is vacant undeveloped land.

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