

**CITY OF TEMECULA
AGENDA REPORT**

TO: City Manager/City Council

FROM: Luke Watson, Director of Community

DATE: May 26, 2020

SUBJECT: Approve an Amendment to the Old Town Specific Plan to Allow Four-Story Hotels Within the Downtown Core District and to Add Language to the Specific Plan to Clarify the Intended Use of a Minor Exception for Building Height

PREPARED BY: Stuart Fisk, Principal Planner

RECOMMENDATION: That the City Council adopt resolutions entitled:

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING ADDENDUM NO. 1 TO THE OLD TOWN SPECIFIC PLAN PROGRAM ENVIRONMENTAL IMPACT REPORT (SCH NO. 2009071049)

RESOLUTION NO. 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING AMENDMENT NO. 9 TO THE OLD TOWN SPECIFIC PLAN (SP-5) (LONG RANGE PROJECT NO. LR20-0209)

BACKGROUND: On May 25, 2010, City Council adopted Ordinance 10-09 to approve a comprehensive amendment to the Old Town Specific Plan. This Specific Plan Amendment utilized form-based zoning to establish standards for building placement, building form, and building type to facilitate pedestrian friendly development, and emphasized implementation of these standards over specific land uses.

The 2010 Specific Plan Amendment allows four-story buildings when at least one floor of residential is provided, or when at least one floor of office (with parking) is provided. The purpose for allowing four stories when at least one floor of residential is provided was to encourage residential uses within the Downtown Core district, with the intent that the residents would help to support the commercial businesses within Old Town. The allowance for four-story buildings when one floor of office (with parking) is provided was made based on community input provided

during the visioning and Specific Plan development process, with the goal of providing additional options and flexibility for development within Old Town.

The 2010 Specific Plan Program EIR analyzed development of Old Town based on a mixture of commercial, hotel, residential, civic, and office uses. Based on market absorption projections developed by Keyser Marston Associates (KMA) for the 2010 Specific Plan Amendment, the Program EIR assumed an additional 499 hotel rooms (beyond the hotel rooms existing in Old Town at that time). The 2010 Specific Plan Amendment allows three-story hotels throughout the Downtown Core district and allows up to eight stories within the Downtown Core-Hotel Overlay district when a full service hotel with conference facilities, restaurant and other guest services is provided.

In addition to the four-story buildings currently permitted in the Downtown Core district (for buildings that provide at least one floor of residential, or at least one floor of office with parking), the proposed Specific Plan Amendment would also allow four-story hotels in the Downtown Core district.

Since the adoption of the 2010 Specific Plan Amendment, staff has heard from multiple hotel developers that the ability to construct four-story hotels in the Downtown Core is necessary for new hotels to be economically feasible. Staff has reached out to KMA, who prepared the market study that guided development of the 2010 Specific Plan Amendment, and received information validating assertions relating to the economic feasibility of three story versus four story hotels in the Downtown Core. It should also be noted that no three-story hotels have been built in the Downtown Core district since the 2010 Specific Plan Amendment was adopted. Furthermore, while residents living in Old Town may help support the businesses located in Old Town by occasionally shopping or dining in Old Town, it is likely that the construction of hotel rooms in Old Town would provide even greater support to Old Town's businesses anticipating that the hotel patrons would frequently shop and dine in Old Town.

To allow four-story hotels in the Downtown Core district, the proposed Old Town Specific Plan Amendment would modify the requirements in the Specific Plan for multi-story buildings within the Downtown Core district. Of the 499 additional hotel rooms analyzed for the 2010 Old Town Specific Plan Amendment, 343 hotel rooms have already either been constructed or approved, leaving a balance of 156 hotel rooms analyzed in the 2010 Program EIR. Projects that exceed 499 total hotel rooms will be required to prepare additional CEQA documentation.

In addition, to clarify the intended use of a Minor Exception for building height, the proposed Old Town Specific Plan Amendment would add footnotes to Table IV-8 (Allowable Building Types and Height in the Downtown Core and Downtown Core/Hotel Overlay District), Table IV-17 (Allowable Building Types and Building Height in the Residential/Limited Mixed-Use District), and Table IV-28 (Allowable Building Types and Building Heights in the Neighborhood Residential District) of the Specific Plan to state that "Section 17.03.060 of the Temecula Municipal Code, which provides criteria for Minor Exceptions to development regulations, may be utilized for building height in Old Town for the purpose of providing architectural elements to

a portion (or portions) of a building to add roofline variation or to otherwise enhance the aesthetics of the building consistent with its architectural style. A Minor Exception is not intended to be utilized to add overall height to the base roof line of the building nor to add extra floor to ceiling height of any one or more stories.”

ENVIRONMENTAL: In accordance with the California Environmental Quality Act (CEQA), the proposed Specific Plan amendment will not have a significant impact upon the environment based on a completed EIR Addendum. As a result, the City Council will take action on a recommendation to adopt an EIR Addendum in compliance with CEQA Section 15164.

FISCAL IMPACT: None.

ATTACHMENTS:

1. Aerial Map
2. City Council Resolution – EIR Addendum
Exhibit A – EIR Addendum
3. City Council Resolution – Specific Plan Amendment
Exhibit A – Specific Plan Amendment (Underline/Strikeout)
4. Planning Commission Resolution No. 2020-11
5. Planning Commission Resolution No. 2020-12
6. Planning Commission Staff Report of May 6, 2020
7. Notice of Public Hearing
8. Draft Notice of Determination with County Clerk