

CITY COUNCIL

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Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: _____
Date: August 23, 2006

TO: Honorable Mayor and Members of the City Council

FROM: Jonathan Brindle, Director of Planning

SUBJECT: A Downtown Hotel Project involving a Specific Plan Amendment, a Planned Development, and a Mitigated Negative Declaration on West Valley Parkway (2005-21-PD/SPA, ER 2005-13)

PLANNING COMMISSION RECOMMENDATION:

The Planning Commission is scheduled to review the project on the evening of Tuesday, August 22, 2006. A report of that hearing and the Planning Commission's recommendation will be presented by Staff to the City Council at their August 23, 2006 meeting.

STAFF RECOMMENDATION:

It is recommended that Council adopt Resolution No. 2006-217 approving the proposed Specific Plan Amendment, Planned Development and Mitigated Negative Declaration/Mitigation Monitoring Program.

PROJECT DESCRIPTION:

Amendment to the Civic Center District of the Downtown Specific Plan in conjunction with a Preliminary and Master Development Plan to add hotels as an allowable use and adoption of site specific development standards to allow a 9-story hotel with 196 rooms and related facilities that include a restaurant, health club, and administrative offices. Proposed development standards include a maximum building height of 75 feet and project-specific parking standards for 209 parking spaces to be built in the hotel's two underground parking levels based on studies conducted by Walker & Associates and resulting in a reduction of 75 surface parking spaces that currently exist between City Hall and the California Center for the Arts. A Planned Development application, in conjunction with a Preliminary and Master Development Plan for the facility, also is proposed. Minor modifications also are proposed to the California Center for the Arts Escondido, including the relocation of a service door in the northeast corner and the relocation of the existing reader-board sign on West Valley Parkway.

PROPERTY SIZE AND LOCATION:

Approximately 1.15 acres in size and located north of the intersection of North Maple Street and West Valley Parkway, between the existing California Center for the Arts Escondido and Escondido's City Hall, addressed as 250 West Valley Parkway (APN 229-372-20 & 229-381-15). Proposed offsite utility improvements will be necessary north of the project site in Grape Day Park and intersection improvements at Maple Street and West Valley Parkway, Second Avenue and Maple Street, and Orange Street and West Grand Avenue.

FISCAL ANALYSIS:

The City's financial consultant Keyser Marston Associates has prepared a detailed fiscal analysis under separate cover and will be presenting the information at the public hearing.

ENVIRONMENTAL STATUS:

A revised Mitigated Negative Declaration (MND) was prepared and circulated for this project on July 27, 2006, City Log No. ER 2005-13, for a 20-day review period in conformance with CEQA law. The revised MND differs from the previous document in that it only assesses the hotel project and includes additional information that responds to previous comments and concerns. It does not assess the previously proposed mixed-use project, which is no longer under consideration. Separate environmental review would be required before any project could be considered on Lot 1 (southeast corner of Maple and West Valley Parkway). The status of development on Lot 1 is uncertain and is not tied to the hotel request. Similarly, the MND does not cover any modifications to Maple Street other than the installation of traffic signals at the intersections of Maple Street & West Valley Parkway and Second Avenue and Maple Street.

The analysis identified several mitigation measures to address and mitigate potentially significant impacts to less than significant levels. The impacts evaluated include aesthetics, air quality, cultural resources, fire, geology & soils, parking, public services, transportation and water quality. A copy of this document, along with the mitigation measures were posted on the City's website. The public review period ended on August 15, 2006.

Several comments were submitted in response to the revised MND. Ms. Mary Deutsch, Esq., expressed concerns that an improper piecemealing would be created if there was any agreement between the developer and the City to develop Lot 1. No such agreement exists. Ms. Deutsch also expressed a general concern that the required mitigation measures were not sufficiently detailed. As a result, she asserts that necessary analyses were improperly deferred. She referred to May 17, 2006 correspondence submitted by Attorney Kevin Johnson that addressed the previously proposed mixed-use project as well as the hotel. A copy of Mr. Johnson's letter has been attached to Ms. Deutsch's letter. Ms. Deutsch also requested that all correspondence responding to the previous MND be re-transmitted and be construed as comments on the proposed project.

Mr. Kevin Johnson, Esq., also submitted a revised letter stating he felt his previous comments were still applicable and asked that they be incorporated. New issues raised in his letter expressed concern that the hotel project is not feasible without the previous mixed-use project. Based on his understanding, he asserts that the hotel has been improperly separated to avoid the responsibility of considering the impact of both projects. Mr. Johnson's argument would be valid if construction of the hotel did rely on the mixed-use project, or if there were a contract with the applicant to develop Lot 1.

Mr. Johnson also asserts the proposed development standards will preclude options for the broad revisions being considered to the Downtown Specific Plan. The site currently has no height limit since standards are to be adopted through the Planned Development Process. The proposed height does not conflict with the draft Downtown Recommendations, which allow a height of 85' over the entire site. Mr. Johnson also asserts that the amount of solid waste generated by the hotel constitutes a significant impact. As described in the Initial Study, staff consulted with Escondido Disposal and did not find evidence to support his conclusion that the hotel would constitute a significant effect.

Mr. Johnson asserts an EIR is required since he feels a fair argument can be made that the hotel would exacerbate traffic congestion and lack of parking, and be growth-inducing. Specifically, he argues that the proposed sewer line improvements are growth inducing and asserts there will be a capacity issue at the Hale Avenue Plant. Mr. Johnson provides no evidence other than stating his understanding that it is out of capacity. The City's Engineering staff does not agree and the Initial Study describes the route between the site and the Hale Plant and notes that there are no issues associated with this section of sewer line. Mr. Johnson also asserts that the hotel would impact Grape Day Park since a sewer line in the park would be upgraded between the site and a connection in the park. The alignment is described in detail in the Initial Study and it shows that no significant structures would be affected and that the necessary trenching would be backfilled and restored to its natural condition.

A letter was also received from Mr. Bill Darnell, PE, who had apparently been retained by Ms. Deutsch. Mr. Darnell feels additional analysis should be conducted to analyze the loading of trucks in front of the project in conjunction with the disposal of material excavated for the parking structure. He also requests additional analysis of truck routes and more information on the duration of construction and feels that the loss of 75 spaces would be significant since it would put increased pressure on lot 1. Mr. Darnell also expressed concern with the use of the previous traffic analysis that included the mixed-use project. He feels a new "hotel only" study should have been prepared even though all former mitigation measures were carried over to the hotel. These measures included signals at the intersections of Second Avenue & Maple Street and Maple Street & West Valley Parkway, and the installation of a four-way stop at Grand Avenue & Orange Street.

A comment letter was also received from Mr. Tom Knight. He also expressed concerns that the analysis of the hotel had been improperly piecemealed. Another copy of Mary Deutsch's letter, signed by the Coseo's who own the office building at 120 West Grand Ave, was also received.

ANALYSIS:

Previously, the subject application was processed together with a mixed-use project on the southeast corner of Maple and West Valley Parkway. During the public hearings, a great deal of public and Planning Commission discussion focused on the mixed-use component. Issues involving design, mass and scale, parking in the downtown area, market conditions and development of other downtown condominium projects and similar issues were raised. The applicant withdrew the mixed-use component from consideration. As a result, staff reviewed the land use plans and approvals, as well as the Disposition and Development Agreement to provide for a "hotel-only" project.

No mixed use project is proposed at this time and there is no pending agreement of any sort between the City and this or any other developer for the southeast corner of Maple and West Valley Parkway. Letters referenced earlier in this staff report regarding "project splitting" appear to be based on erroneous factual information. Discussion of a possible mixed-use project has been limited to evaluating cumulative effects.

The hotel is sized and designed to reflect market needs of groups likely to use the conference facilities. It is expected that the hotel would be a Marriott brand franchise that would be operated by Sage Hospitality, a nationally recognized operator with strong marketing capabilities.

Since the initial submittal of the hotel, numerous changes have been incorporated in response to public and Design Review Board comments. In addition to the Design Review Board meetings, there have been at least four other public meetings, including a hearing before the Planning Commission, to present and discuss project details. Comparatively few issues appeared to exist with the hotel component of the proposal. The mass and scale of the mixed-use building which was earlier associated with the project generated the most concern. Architectural drawings and associated project information have been, and continue to be posted on the Planning Division's website at: <http://www.escondido.org/depts/cd/planning/index.html>

The hotel project is the same design considered by the Planning Commission on May 16, 2006. While all the required hotel parking would be provided within its two-level below grade garage, the existing 75 surface level parking spaces currently located between City Hall and the CCAE would be displaced. No offsite facility is proposed for relocating the 75 parking spaces displaced by the hotel project, but the Walker Parking Study has identified a sufficient parking surplus in the existing Woodward Lot north of the project site. The City continues to pursue the acquisition of properties to establish additional parking in the downtown area. Additionally, parking efficiencies around City Hall have been enhanced by re-striping areas resulting in 10 new spaces.

The Civic Center District provides development flexibility since it specifies the use of the Planned Development process to establish development standards. Therefore, there are no prescribed height restrictions or setback requirements in the Civic Center District. The proposed hotel height (75') is consistent with other nearby structures in the California Center for the Arts Escondido campus.

The proposed hotel use is compatible with the goal for increasing the number of visitors to the downtown area. The project incorporates a mix of architectural elements, varied wall planes and roof lines, a variety of materials, colors and elements, balconies, and trellis/awning features to provide a more pedestrian scale to reduce the overall affect of the site's density. The project would increase pedestrian activity, nightlife and business for Downtown merchants. Staff feels that this large-scale urban development would support entertainment and dining establishments such as the Grand Avenue shops and restaurants, the Center for the Arts, the new Signature Movie Theater, and other nearby businesses.

A copy of the Planning Commission Staff Report has been attached that explains the project details and issues in greater detail.

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PLANNING COMMISSION SUMMARY:

At the date of this document's writing, the Planning Commission is scheduled to review the project on the evening of Tuesday, August 22, 2006. A report of that hearing and the Planning Commission's recommendation will be presented by Staff to the City Council on Wednesday night, August 23, 2006.

PUBLIC COMMENTS:

Details of the public comments made at the August 22 Planning Commission Meeting will be transmitted orally as part of the staff report.

Respectfully submitted,

Jonathan H. Brindle
Director of Planning

Paul Bingham
Assistant Planner