



CITY OF GLENDALE, CALIFORNIA REPORT TO THE PLANNING COMMISSION

AGENDA ITEM

Report: Statutory Development Agreement for the AC Hotel Project

Location: 120 West Colorado Street

Case Number: Development Agreement Case No. PDA2014726

Applicant: Vista Investments, LLC.

Owner: Vista Investments, LLC.

Approved for	April 7, 2021
---------------------	---------------

ADMINISTRATIVE ACTION

Prepared by:
Roger Kiesel, Senior Planner

Reviewed by:
Kristen Asp, Principal Planner
Mark Berry, Principal Development Officer
Gillian van Muyden, Chief Assistant City Attorney
Yvette Neukian, Senior Assistant City Attorney

SUMMARY

A Development Agreement is being proposed between the City of Glendale and Vista Investments, LLC, a California Limited Liability Company (the owner) for a previously approved six-story, 130-room hotel, pursuant to Government Code Section 65864 through 65869.5. The Development Agreement ("DA") provides a six-year entitlement period for the project, locks in the 2018 City Development Impact Fee structure (impact and linkage fees, exactions, or fair share charges imposed by the City on new development), and outlines the FAR and height bonuses being required by the applicant under the Downtown Specific Plan's Community Benefit Incentive Program (DSP)

Chapter 7.2.3). The Stage II Design Review submission and variance to allow an increased percentage of parking spaces to be in a tandem and/or stacked arrangement was approved by City Council with conditions on May 22, 2018.

ENVIRONMENTAL DETERMINATION

The project is exempt from CEQA review as a Class 32 “In-Fill Development Project” pursuant to Section 15332 of the State CEQA Guidelines because the Project is consistent with the General Plan designation of the site, the development is proposed within the city limits of the City of Glendale on a project site of less than five acres and surrounded by urban development; the project site has no value as habitat for endangered, rare or threatened species; as confirmed in technical studies, no significant effects relating to traffic, noise, air quality or water quality will result and the site can be adequately served by all required utilities and public services.

RECOMMENDATION

The Planning Division staff recommends that the Planning Commission receive the staff report and presentation, and based on findings of the DA’s consistency with the General Plan and Downtown Specific Plan, recommend approval of the proposed Development Agreement for the AC Hotel project to the City Council (Exhibit 1).

BACKGROUND

PROJECT HISTORY & DESCRIPTION

On May 22, 2018, the City Council approved PDR 1721930 for a six-story hotel with 130 guest rooms with one level of subterranean parking (“Project”). In addition, the City Council approved PVAR 1721927 to allow 38% of the required parking spaces to be in a tandem and/or vertically stacked arrangement (exceeding the Code maximum of 25%). Both approvals were set to expire on May 22, 2020, two years from the approval date. Per GMC Section 30.41.015, a one-year time extension was granted extending the approvals to May 22, 2021.

EXISTING CONDITIONS

The subject site, located on the south side of West Colorado Street between Brand Boulevard and Central Avenue, is approximately 29,500 square feet in area and currently developed with a 52-room Vagabond Inn.

The site is zoned Downtown Specific Plan (DSP), Colorado Transitional which permits a variety of uses, including general retail, restaurants, offices, hotels, multi-unit residential buildings, and mixed-use development. The Colorado Transitional District forms the southern edge of the Downtown area, an area that transitions from downtown to surrounding commercial and multi-family residential neighborhoods.

PROPOSED PROJECT

The Project would demolish of the existing Vagabond Inn and construct a six-story hotel with 130 guest rooms featuring a contemporary design aesthetic. The ground level of the Project includes a lobby (with an entrance from Colorado Street), lounge, breakfast room, and service areas. This level will also include a portion of the parking for the Project as well as a ramp leading to a subterranean parking level. The second floor contains meeting rooms, a fitness room, six guest rooms and an outdoor courtyard with seating areas and a reflecting pool. Floors 3 through 5 each contain 32 guest rooms. Floor 6 contains 28 guest rooms and a green roof. Site access is provided via a one-way driveway on Colorado Street with a one-way exit onto Elk Avenue.

At the time of approval, hotel uses were required to provide one parking space per habitable (guest) room. The Project provides the required 130 spaces. For non-residential uses in the DSP, up to 25% of the required number of parking spaces may be tandem or vertically stacked. While providing the required 130 parking spaces, 38% of those spaces are in a tandem or vertically stacked configuration, and required the variance approval.

ZONING AND SURROUNDING USES

The Downtown Specific Plan (DSP) designates the blocks along the south side of Colorado Street between Brand Boulevard and Central Avenue within the Colorado Transitional District for mid-rise and mixed-use development, with an emphasis on ground floor commercial uses. The area surrounding the Project site contains multi-family residential development to the south, the Americana at Brand on the north, and hotel, residential and general retail uses along Colorado Street on the east and west.

	Zoning	Existing Uses
North	DSP – Town Center	Americana at Brand
South	R-1650 – Medium Density Multi-Family Residential	2-story multi-family residential buildings
East	DSP – Colorado Transitional	Hampton Inn & Suites Hotel
West	DSP – Colorado Transitional	5-story multi-family residential project
Project Site	DSP – Colorado Transitional	Vagabond Hotel

DSP COMMUNITY BENEFIT INCENTIVE PROGRAM

Projects in the DSP Colorado Transitional District may utilize the Community Benefit Incentive Program to increase the permitted height from 65' to 95', and the FAR from 2.00 to 3.00. As a hotel, the Project is utilizing the "Community Benefit for Certain Uses" Incentive permitted by Section 7.2 of the DSP. Hotels are one of the priority uses determined to provide a community benefit, and as such, are eligible for the maximum

height and FAR under the incentive program. The public benefit is that hotels are an important component of a thriving business district, and often provide amenities which are available to the general public, including entertainment, restaurants, and meeting rooms.

DISCUSSION/ANALYSIS

DEVELOPMENT AGREEMENT

Development Agreements are regulated by State statute (Government Code Section 65864 through 65869.5). This proposed Development Agreement (DA) is a typical development agreement that “freezes” and vests the zoning and other requirements in order to provide certainty between the entitlement and building permit phase of a complex development.

The Applicant is requesting a DA to preserve the entitlements for a six (6) year term, locks in the 2018 City Development Impact Fee structure (impact and linkage fees, exactions, or fair share charges imposed by the City on new development), and outlines the FAR and height bonuses being required by the Developer under the Downtown Specific Plan’s Community Benefit Incentive Program (DSP Chapter 7.2.3).

The DA will also provide acknowledgements, agreements and assurances on the part of the Developer and the City. The DA also incorporates the approved Stage II Design, and includes a covenant as it relates to the FAR and height bonuses required for the Community Benefit Incentive Program.

The DA is being requested by the applicant due to the economic fall-out resulting from the COVID-19 global pandemic and economic downturn that significantly impacted the hotel industry and construction pricing. The six (6) year term of the DA is intended to preserve the Project’s entitlements for a time period that will allow for the resolution of the pandemic and subsequent economic recovery that will be necessary to support building a new hotel; as well as provide additional time to resolve Project construction financing and subsequent preparation of construction documents, plan check and permitting.

COMPLIANCE WITH GENERAL PLAN AND DOWNTOWN SPECIFIC PLAN

On March 26, 2019, the City Council adopted Ordinance No. 5923 which revised or amended a number of standards in the Downtown Specific Plan. Ordinance No. 5923 addressed projects that were entitled under the previous DSP but were not vested when the Ordinance was adopted. Specifically, Section 14 states “Development applications or tentative tract map applications which the City has deemed complete, City approved discretionary entitlements, or ministerial projects submitted to plan check prior to the adoption of this ordinance, shall be reviewed under the zoning rules and regulations which were in effect prior to the effective date of this ordinance.” While not vested, the Project had received approval of all its discretionary entitlements, and thus is subject to the zoning rules and regulations in effect when it was entitled in May 2018.

In accordance with Government Code, the Planning Commission must review the DA

for consistency with the General Plan and the Downtown Specific Plan prior to its consideration by the Council. Staff believes that the DA is consistent with the General Plan and DSP.

General Plan:

An economic policy of the Land Use Element states the importance of broadening Glendale's tax base with emphasis on increasing assessed value and retail sales in order to provide necessary facilities and services. The Project is consistent with this goal. The Project site is currently developed with an economy/mid-priced motel that was constructed in 1971. The Project, by redeveloping the site with a new, upscale boutique hotel, will generate new property taxes (due to an increased assessed valuation) and additional transient occupancy tax revenue by increasing the number of rooms from 52 to 130, and by commanding a higher average daily room rate.

A commercial policy of the Land Use Element states the need to improve the economic situation and the visual image of the present semi-commercial development found along several of Glendale's major streets. Colorado Street is a designated a Signature Street in the Circulation Element and is a premiere east-west arterial in the city connecting the I-5 Freeway and SR-2 Freeway. By replacing an aging and antiquated economy motel development with a new upscale hotel featuring a modern and contemporary architectural style that more efficiently utilizes the Project site by eliminating surface parking, the Project would improve the economic situation and visual image of a major street.

The Land Use Element is the most directly related to the Project and the other Elements of the General Plan will not be impacted. The Project site has not been slated for open space or recreation, and will operate within compliance with the Noise Element thresholds. The Circulation Element identifies Colorado Street as a Signature Street and Elk Avenue as Minor Arterial. Both of the streets are fully developed and can adequately handle the traffic circulation around the site. Vehicular access to the site will be from Colorado Street and egress via Elk Street. Additionally, the City's Traffic Engineer reviewed the Project and determined that no significant increase in traffic would occur as a result of the Project because it would not generate a significant increase in the number of vehicle trips to and from the site. The Project complies with the applicable zoning designation and appropriate findings were made in support for a variance regarding tandem and/or lift parking.

Downtown Specific Plan:

The Land Use Element of the General Plan designates the project site as Downtown Specific Plan, Colorado Transitional District. The Downtown Specific Plan seeks to preserve and enhance aspects which provide each district its unique character, while improving the attractiveness and livability of the Downtown area.

The Colorado Transitional District provides an important transition between the high-intensity, mixed-activity of Downtown and a higher density residential neighborhood to

the south. The Project is permitted by right in the Colorado Transitional District and will provide a compatible, complementary amenity/use for individuals visiting the city and its residents.

EXHIBITS

1. Motion
2. Proposed Development Agreement
3. Location Map
4. Project Renderings