



## Agenda Report

19-468

Agenda Date: 5/22/2019

### REPORT TO PLANNING COMMISSION

#### **SUBJECT**

Consent: Action on a Conditional Use Permit for a new 190-room Hotel at 2900 Lakeside Drive

#### **REPORT IN BRIEF**

Project: Use Permit to allow a new Cambria Hotel

Applicant: Andrew Wood, Stratus Development Partners, LLC

General Plan: Low Intensity Office / Research & Development (R&D)

Zoning: Light Industrial (ML)

Site Area: 1.96 acres

Existing Site Conditions: One existing two-story office building

#### **Surrounding Land Uses**

North: Hotel use

South: Office use across Tannery Way

East: Commercial use across Lakeside Drive

West: Office use

Issues: Consistency with the City's General Plan and Zoning Ordinance

Staff Recommendation: Adopt the resolution approving the Use Permit, subject to conditions of approval

#### **BACKGROUND**

The applicant, Andrew Wood, filed an application on October 17, 2018 to allow a new hotel with 190 rooms and an onsite guest dining amenity that will sell and serve beer, wine, and distilled spirits under the California Alcohol Beverage Control license type 47. The proposed hotel would provide occasional live guitar music in the lobby for guests.

The project site is located at the northwest corner of Lakeside Drive and Tannery Way. There is a two-story office building on site with a surface parking lot. The site is immediately south from the recently approved AC hotel. The site is zoned Light Industrial (ML) and the General Plan land use designation is Low Intensity Office and R&D.

#### **DISCUSSION**

The project proposes to demolish the existing two-story office building and construct a five-story Cambria Hotel on the 1.96-acre site located at 2900 Lakeside Drive. The Cambria Hotels International proposal includes 190 rooms, meeting space, outdoor resort pool, fitness center, and a guest diner. The guest diner will sell and serve alcohol under California Alcohol Beverage Control license type 47. The sale and service of alcohol will be available with food during the restaurant's

operating hours between 6 a.m. to 2 a.m. daily. Parking and other transportation modes are provided on-site. The proposed hotel would provide occasional live guitar music in the lobby for guests during the afternoons. The Project Description provided by the applicant is attached to this report.

The project proposes a contemporary architectural design integrating a mixed pattern and palette of materials to enhance the building façade. The building walls are primarily natural stone, wood, and integral plaster. The hotel will incorporate sustainable and water efficient operating systems and fixtures. Further details regarding Cambria Hotels sustainability programming can be found in Attachment 1, Project Description.

Most of the existing trees will be retained on site, and any trees removed will be replaced according to the City's replacement ratio of 2:1 at 24" box or 1:1 at 36" box. The street frontage will retain the mature redwood trees and incorporate a meandering sidewalk.

The primary issues for the project are consistency with the City's General Plan and Zoning Code and parking requirements.

#### *General Plan Conformance*

The subject property has a General Plan designation of Low Intensity Office / R&D. This land use classification primarily serves as a transition between light industrial and higher intensity office and R&D uses. Although a hotel is not listed as one of the primary types of allowable uses, the district does envision accessory uses and supporting retail to serve both employees and visitors in the area. More significantly, the proposed project is consistent with the following Discretionary Use Policy:

- 5.5.1 P13 Allow hotel development north of the Caltrain corridor in any land use designation, except Light and Heavy Industrial, at a maximum FAR of 2.0, provided that the property is annexed to the City's Community Facilities Assessment District, or similar district, and that the use is compatible with planned uses on neighboring properties and consistent with other applicable General Plan policies.

The proposal is a hotel development about a mile north of Caltrain corridor with a proposed FAR of 1.35, and the project will participate in the City of Santa Clara Community Facilities District. As such, the project conforms to the General Plan.

#### *Zoning Conformance*

A hotel is not permitted by right in the Light Industrial (ML) zoning district. Pursuant to Section 18.48.040(e) of the Santa Clara City Code, uses that are not permitted by right but that are appropriate for an industrial area, such as lodges and bingo halls, can be conditionally permitted in the ML zone, provided that the proposed use and structure would not be objectionable or detrimental to adjacent properties or to the industrial area in general by reason of traffic, parking, noise, inappropriate design or signs. The proposed hotel is a compatible use in the industrial area and will support visitors and the work force to this area.

#### *Parking*

The proposal is to provide 132 stalls in the two-level parking structure and 19 stalls at-grade for a total of 151 parking stalls, with two ingress and egress points. The project is parked at .79 parking spaces per room ratio where the City Code ordinarily requires one parking space per room. The project is conditioned to obtain a Zoning Administrator Modification for reduced the required on-site

parking while ensuring sufficient and available parking to service the proposed use. To support this request, the applicant will be providing shuttle service to San Jose International Airport and other attractions, ride-share parking spaces for the trending mode of transportation, and valet parking service. The applicant also provided similar parking ratios from other Cambria Hotels that are currently opened and in development. Based on these operational considerations and provided information, staff supports the Zoning Administrator Minor Modification request for reduced parking. The parking justification and examples are included in the attached Project Description.

Other parking accommodations include six electrical vehicle parking stalls that are turn-key ready and 17 additional spaces will be pre-wired. There are also 28 bicycle parking spaces available at high visible locations near both drive-way entrances.

### *Conclusion*

The proposal contributes to the variety of commercial service uses available in the industrial area of the City and is designed to be compatible with the industrial offices, with sufficient parking to support the proposed use. A non-industrial use, such as a hotel, may only be conditionally permitted when the use is appropriate for an industrial area and would not be objectionable or detrimental to the industrial area or adjacent properties. Based on the operational description of the proposed hotel use provided by the applicant, the use would be compatible with the adjacent land uses.

### **ENVIRONMENTAL REVIEW**

The proposed project is categorically exempt from the California Environmental Quality Act (CEQA) per section 15332 of the CEQA Guidelines (Class 32 - In-fill Development), in that the project is consistent with the applicable general plan designation and all applicable general plan policies, which allow hotel uses north of the Caltrain corridor on sites with an FAR less than 2.0, as well as with the applicable zoning designation and regulations, which allow for a hotel in the ML zone with the approval of a use permit. The project is located on a project site of less than five acres (it is 1.96 acres) substantially surrounded by urban uses (a hotel, a commercial use, and two office buildings), and the project site has no value as habitat for endangered species. Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality and the site can be served by all required utilities and public services.

### **FISCAL IMPACT**

There is no impact to the City for processing the requested application other than administrative staff time and expense typically covered by processing fees paid by the applicant.

### **COORDINATION**

This report has been coordinated with the City Attorney's Office.

### **PUBLIC CONTACT**

On May 10, 2019, a notice of public hearing of this item was posted in three conspicuous locations within 300 feet of the project site and mailed to property owners within 500 feet of the project site. Planning Staff has not received public comments for this application.

**RECOMMENDATION**

Adopt a Resolution to Approve a Use Permit to allow a new 190-room hotel located at 2900 Lakeside Drive, subject to conditions of approval.

Prepared by: Steve Le, Assistant Planner

Reviewed by: Alexander Abbe, Assistant City Attorney

Approved by: Reena Brilliot, Planning Manager

**ATTACHMENTS**

1. Project Description
2. Project Data
3. Development Plans
4. Resolution Approving a Use Permit
5. Conditions of Approval