

RESOLUTION NO. 5939-18

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF GARDEN GROVE RECOMMENDING THE CITY COUNCIL ADOPT THE HARBOR BOULEVARD HOTEL PROJECT INITIAL STUDY/MITIGATED NEGATIVE DECLARATION AND ASSOCIATED MITIGATION MONITORING AND REPORTING PROGRAM, APPROVE GENERAL PLAN AMENDMENT NO. GPA-002-2018, AND ADOPT AN ORDINANCE APPROVING AMENDMENT NO. A-024-2018.

BE IT RESOLVED that the Planning Commission of the City of Garden Grove, in a regular session assembled on November 15, 2018, does hereby recommend that the City Council adopt a Negative Declaration and Mitigation Monitoring and Reporting Program for the Harbor Boulevard Hotel Project and approve General Plan No. GPA-002-2018 and Amendment No. A-024-2018.

BE IT FURTHER RESOLVED in the matter of General Plan Amendment No. GPA-002-2018 and Amendment No. A-024-2018, the Planning Commission of the City of Garden Grove does hereby report as follows:

1. The subject case was initiated by Bui Nguyen on behalf of Garden Grove Hotel, LLC (the "Applicant").
2. The Applicant submitted an application to develop and operate a 64,673 square foot, 124-room, 5-story, 59'-0" high hotel and related incidental and accessory hotel amenities, 100 on-site surface parking spaces, landscaping, and related improvements on two (2) currently vacant parcels with a total land area of approximately 1.48-acres located on the east side of Harbor Boulevard between Trask Avenue and Westminster Avenue at 13624 through 13650 Harbor Boulevard, Assessor's Parcel Nos. 101-080-66 and 101-080-27, along with the following discretionary land use approvals (collectively, the "Project"): (a) a text amendment to the General Plan Land Use Element to increase the maximum allowable Floor Area Ratio (FAR) for hotels on property with a Land Use Designation of Heavy Commercial (HC) from 0.60 to 1.0; (b) text amendments to Sections 9.16.020.020.A.4 and 9.16.020.050.AJ of the Garden Grove Municipal Code modifying the development standards for hotels located in the C-3 (Heavy Commercial) zone (i) to establish a maximum allowable FAR in the C-3 (Heavy Commercial) zone of 1.0 for hotel uses and 0.55 for all other uses, (ii) to increase the maximum building height for hotels in the C-3 zone from four (4) stories and/or 55 feet to five (5) stories and/or 60 feet, and (iii) to allow the hearing body to permit up to a twenty percent (20%) reduction in the number of off-street parking spaces required for new hotels in the C-3 zone in conjunction with site plan and/or conditional use permit approval; (c) Site Plan approval to allow the construction of the proposed five (5) story, 59'-0" high, 124-room hotel, hotel amenities, 100 on-site surface parking spaces, landscaping, and related site improvements; (d) Conditional Use Permit

approval to allow for operation of the proposed hotel use; and (e) Lot Line Adjustment approval to eliminate the existing boundary lot line and to consolidate the two (2) existing parcels into a single parcel in order to facilitate development of the proposed hotel project.

3. Pursuant to the California Environmental Quality Act, California Public Resources Code Section 21000 et seq. ("CEQA") and CEQA's implementing guidelines, California Code of Regulations, Title 14, Section 15000 et seq., an initial study was prepared for the proposed Project and it has been determined that the proposed Project qualifies for a Mitigated Negative Declaration because the proposed Project with implementation of the proposed mitigation measures cannot, or will not, have a significant effect on the environment.
4. A Mitigation Monitoring and Reporting Program has been prepared and is attached to the Mitigated Negative Declaration listing the mitigation measures to be implemented.
5. The Mitigated Negative Declaration with mitigation measures was prepared and circulated in accordance with CEQA and CEQA's implementing guidelines.
6. The property on which the hotel and related improvements will be constructed has a Heavy Commercial (HC) General Plan Land Use Designation of and is zoned C-3 (Heavy Commercial). Each parcel is currently vacant land, Parcel 101-080-66 contains 53,723 square feet, and Parcel 101-080-27 contains 10,953 square feet.
7. Existing land use, zoning, and General Plan designation of property in the vicinity of the subject property have been reviewed.
8. The Planning Commission of the City of Garden Grove held a duly noticed public hearing on November 15, 2018, at which all interested persons were given an opportunity to be heard, and considered the report submitted by City staff and all oral and written testimony presented regarding the Project, the initial study, and the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program.
9. Concurrent with its adoption of this Resolution, the Planning Commission adopted Resolution No. 5940-18 approving Site Plan No. SP-056-2018, Conditional Use Permit No. CUP-134, 2018, and Lot Line Adjustment No. LLA-018-2018, subject to City Council's approval of a Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Project, General Plan Amendment No. GPA-002-2018, and Municipal Code Amendment No. A-024-2018. The facts and findings set forth in Planning Commission Resolution No. 5940-18 are hereby incorporated into this Resolution by reference.

BE IT FURTHER RESOLVED, FOUND AND DETERMINED as follows:

1. The Planning Commission has considered the proposed Mitigated Negative Declaration together with comments received during the public review process.
2. The Planning Commission finds that the Mitigated Negative Declaration reflects the City's independent judgment and analysis.
3. The Planning Commission finds on the basis of the whole record before it, including the initial study and comments received, that there is no substantial evidence that the Project, with the proposed mitigation measures, will have a significant effect on the environment.
4. Therefore, the Planning Commission hereby recommends the City Council (i) adopt the Mitigated Negative Declaration and the Mitigation Monitoring and Reporting Program for the Project and (ii) approve General Plan No. GPA-002-2018 and Amendment No. A-024-2018.
5. The record of proceedings on which the Planning Commission's decision is based is located at the City of Garden Grove, 11222 Acacia Parkway, Garden Grove, California. The custodian of record of proceedings is the Director of Community and Economic Development.

BE IT FURTHER RESOLVED, FOUND AND DETERMINED that the facts and reasons supporting the conclusion of the Planning Commission, as required under Municipal Code Sections 9.32.030 are as follows:

FACTS:

The Site of the proposed new hotel development is located on the east side of Harbor Boulevard between Trask Avenue and Westminster Avenue at 13624 through 13650 Harbor Boulevard, in the Heavy Commercial General Plan Land Use District and the C-3 (Heavy Commercial) zone. The Heavy Commercial (HC) General Plan Land Use Designation is intended to provide a mix of a variety of more intense commercial uses. The C-3 zoning implements the Heavy Commercial (HC) Land Use Designation. Hotels are a conditionally permitted use in the C-3 zone.

Section 2.4.2 of the Garden Grove General Plan Land Use Element currently states that the Heavy Commercial (HC) Land Use Designation allows a Floor Area Ratio (FAR) ranging from 0.55 to 0.60 and states that the C-3 zoning designation allows a FAR of 0.55. It is proposed that this language be amended to increase the allowable maximum FAR range allowed to 0.55 to 1.0 for Heavy Commercial designated properties and to state that the C-3 zoning designation allows a FAR of up to 1.0 for hotel uses and 0.55 for other uses. The effect of this General Plan Amendment will be to increase the maximum allowable FAR for new hotels in the

C-3 zone, without increasing the allowable development intensity of any other uses. This General Plan Amendment is necessary to facilitate development of the Applicant's proposed hotel project, which consists of a 64,673 square foot hotel on the 64,676 square foot site, which equates to a Floor Area Ratio of 0.99.

Subsection A.4. of Section 9.16.020.020 of the Garden Grove Municipal Code summarizes the intent of the C-3 (Heavy Commercial) zone and states that the "C-3 zone is intended to provide for a wide range of commercial uses, primarily more intensive services and uses of wholesale/retail combinations, normally incompatible with other commercial activities or residential uses." To provide consistency with the proposed General Plan Amendment, it is proposed that the following sentence be added to Section 9.16.020.020.A.4.: "*A Floor Area Ratio up to 1.0 for hotels and 0.55 for all other uses is allowed in the C-3 zone.*"

Subjection AJ of Section 9.16.020.050 of the Garden Grove Municipal Code sets forth special operating conditions and development standards applicable to hotel uses. The Applicant proposes that these provisions be amended in a manner necessary to facilitate the proposed hotel Project by amending Subsection 9.16.020.050.AJ to provide for special development standards for new hotels in the C-3 zone to allow a FAR up to 1.0, to slightly increase the maximum building height limit, and to expressly authorize the City to approve a reduction in the required parking for hotel projects where justified by the applicant. Currently, the maximum building height for hotels is four (4) stories and/or 55 feet. The proposed Municipal Code Amendment would increase this limit to five (5) stories and/or 60 feet for hotels in the C-3 zone. For hotels generally, Garden Grove Municipal Code Section 9.16.040.150 requires one (1) parking space per unit plus two (2) parking spaces per "hotel manager's" unit (if a manager's unit is provided). The proposed Amendment would add a new provision applicable to new hotels in the C-3 zone expressly authorizing the City hearing body to permit up to a twenty percent (20%) reduction in the number of off-street parking spaces required pursuant to Municipal Code Section 9.16.040.050 for new hotels in conjunction with site plan and/or conditional use permit approval, provided it determines that (i) the intent of the parking regulations, in compliance with all other applicable provisions of Chapter 9.16, is met, and (ii) sufficient parking would be provided to serve the intended use.

These changes are necessary in order for the City to approve the proposed hotel project, which is designed for a 59'-0" high hotel with five (5) stories, at a Floor Area Ratio of 0.99, and to provide 100 on-site surface parking spaces, which reflects a 20% reduction from the 124 parking spaces that would otherwise be required pursuant to Section 9.16.040.150.

The complete proposed text amendments to the General Plan Land Use Element and the Municipal Code are set forth in Exhibit "A" to this Resolution.

It is not currently anticipated that the proposed General Plan Amendment and Municipal Code Amendment will have a significant impact beyond the Applicant's proposed hotel project. There are currently twenty-five (25) C-3 zoned properties in the City with a Heavy Commercial General Plan Land Use Designation to which the proposed FAR increase and height increase for hotels would apply, none of which are currently developed with hotels. Of these, only eleven (11) properties, collectively totaling approximately 18.78 acres, could theoretically accommodate a hotel based on the existing 30,000 square foot minimum lot size and other development standards for hotels set forth in the Garden Grove Municipal Code. Hotel development within the City is primarily limited to those areas located to the north of the Garden Grove (SR-22) Freeway. For years, the City has been actively promoting the development of new hotels south of the Garden Grove (SR-22) Freeway but without success. With the single exception of the proposed Project, no formal or informal expressions of interest have been received by the City from property owners or from the development community regarding potential hotel development opportunities on any of the twenty-five (25) C-3 zoned properties in the City with a Heavy Commercial General Plan Land Use Designation. Therefore, the prospects of any such hotel development are presently speculative.

#### FINDINGS AND REASONS:

##### GENERAL PLAN AMENDMENT:

1. The General Plan Amendment is internally consistent with the goals, objectives, and elements of the City's General Plan.

The General Plan Amendment is internally consistent with several of the goals and objectives of all elements of the City's adopted General Plan. The proposed General Plan Amendment would increase the allowable intensity of hotel developments in the Heavy Commercial Land Use District to facilitate a hotel development on Harbor Boulevard. Goal ED-1 of the General Plan's Economic Development Element provides that opportunities for development of tourism-related businesses shall be enhanced, and Policy ED-1.1 of the Economic Development Element encourages the development and expansion of hotel facilities on key corridors in the City, such as Harbor Boulevard. The proposed General Plan Amendment is also consistent with Goals LU-1, LU-5, and LU-6 of the Land Use Element because it will provide for a hotel development intensity to meet the needs of anticipated growth and achieve the community's vision for the development of tourism-related businesses, and is consistent with the General Plan goals and policies to facilitate the revitalization of commercial corridors and vacant and underutilized sites in the City with economically viable projects.

2. The General Plan Amendment is deemed to promote the public interest, health, safety, and welfare.

The proposed General Plan Amendment would increase the allowable intensity of hotel developments in the Heavy Commercial Land Use District to facilitate a hotel development on Harbor Boulevard that is consistent with the City's intent and vision for the property and which will not result in significant environmental impacts. Only a limited number of properties could feasibly develop hotels up to the proposed increased maximum Floor Area Ratio of 1.0, and it is not currently anticipated that the proposed General Plan Amendment will have an impact beyond the Applicant's proposed hotel project. Therefore, the proposed General Plan Amendment will promote the public interest, health, safety, and welfare.

MUNICIPAL CODE AMENDMENT:

1. The Municipal Code Amendment is consistent with the City's General Plan.

The proposed Municipal Code Amendment would provide for a Floor Area Ratio for the C-3 zone that is consistent with the Floor Area Ratio that will be allowed for properties within the Heavy Commercial Land Use Designation if the proposed General Plan Amendment is approved. The C-3 zone implements the Heavy Commercial Land Use Designation. Therefore, the increase in allowable FAR for hotels will be consistent with the FAR allowed by the General Plan's Land Use Element. The Amendment would also allow for a slight increase in the allowable heights for hotels in the C-3 zone and would authorize the discretionary approval of up to a 20% reduction in required parking for new hotels in the C-3 zone. These amendments will facilitate the development of a five (5) story, 59'-0" high, 124-room hotel with 100 on-site surface parking spaces, landscaping, and related site improvements on a vacant, underutilized, and highly visible site on Harbor Boulevard. The proposed Amendments to facilitate the proposed hotel development on Harbor Boulevard are also consistent with Goal ED-1 of the General Plan's Economic Development Element, which provides that opportunities for development of tourism-related businesses shall be enhanced, and with Policy ED-1.1 of the Economic Development Element, which encourages the development and expansion of hotel facilities on key corridors in the City, such as Harbor Boulevard. The proposed General Plan Amendment is also consistent with Goals LU-1, LU-5, and LU-6 of the Land Use Element because it will provide for a hotel development intensity to meet the needs of anticipated growth and achieve the community's vision for the development of tourism-related businesses, and is consistent with the General Plan goals and policies to facilitate the revitalization of commercial corridors and vacant and underutilized sites in the City with economically viable projects.

2. The Municipal Code Amendment is deemed to promote the public interest, health, safety, and welfare.

The proposed Municipal Code Amendment would increase the allowable intensity of hotel developments in the C-3 zone and allow for a slight increase in height and for a reduction in required parking for new hotels, in order to facilitate a hotel development on Harbor Boulevard that is consistent with the City's intent and vision for the property and which will not result in significant environmental impacts. Due to physical site constraints and limitations imposed by other applicable development standards, the possibility of hotel development that takes full advantage of the proposed amended standards is practically limited to a relatively small number of properties. Other than the Applicant's proposed hotel on Harbor Boulevard, it is not presently anticipated that additional hotel development will occur as a result of the proposed Municipal Code Amendment. The site of the proposed hotel development on Harbor Boulevard was previously owned by the City, and Applicant's development of a hotel on the property was contemplated in the purchase and sale agreement between the City and Applicant. The proposed Municipal Code Amendments are necessary to facilitate this project and make it economically viable. The City will continue to have authority to evaluate the suitability and impacts of all new hotel developments on sites to which the Municipal Code amendments apply on a case-by-case basis through the discretionary Site Plan and Conditional Use Permit process in order to ensure any such developments are in the public interest and do not harm the health, safety, or welfare of City residents and property owners. Concurrent with the adoption of this Resolution, the Planning Commission adopted Resolution No. 5940-18 approving Site Plan No. SP-056-2018, Conditional Use Permit No. CUP-134-2018, and Lot Line Adjustment No. LLA-018-2018 and concluded that all required findings for Applicant's proposed hotel development could be made. Therefore, the proposed Municipal Code Amendment will promote the public interest, health, safety, and welfare.

#### INCORPORATION OF FACTS AND FINDINGS SET FORTH IN STAFF REPORT

In addition to the foregoing, the Planning Commission incorporates herein by this reference, the facts and findings set forth in the staff report.

BE IT FURTHER RESOLVED that the Planning Commission does conclude:

1. The General Plan Amendment and the Municipal Code Amendment possess characteristics that would justify the request in accordance with Municipal Code Section No. 9.32.030.D.1 (General Plan Amendment and Municipal Code Amendment).

The Planning Commission recommends that the City Council approve the text amendments to the General Plan Land Use Element and to Chapter 9.16 of the Municipal Code shown in Exhibit "A" attached hereto.

Adopted this 15th day of November 2018

ATTEST:

/s/ GEORGE BRIETIGAM  
CHAIR

/s/ JUDITH MOORE  
RECORDING SECRETARY

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) SS:  
CITY OF GARDEN GROVE )

I, JUDITH MOORE, Secretary of the City of Garden Grove Planning Commission, do hereby certify that the foregoing Resolution was duly adopted by the Planning Commission of the City of Garden Grove, California, at a meeting held on November 15, 2018, by the following vote:

AYES: COMMISSIONERS: (4) LEHMAN, NGUYEN, SALAZAR, TRUONG  
NOES: COMMISSIONERS: (0) NONE  
ABSTAIN: COMMISSIONERS: (1) BRIETIGAM  
ABSENT: COMMISSIONERS: (2) KANZLER, LAZENBY

/s/ JUDITH MOORE  
RECORDING SECRETARY

PLEASE NOTE: Any request for court review of this decision must be filed within 90 days of the date this decision was final (See Code of Civil Procedure Section 1094.6).

A decision becomes final if it is not timely appealed to the City Council. Appeal deadline is December 6, 2018.