



STAFF REPORT	
SUBJECT: Airport Hotel and 18th Avenue Extension Project	MEETING DATE: 12/13/2022
SUBMITTED BY: Mark Roberts, Senior Planner	
PURPOSE OF REPORT: <input type="checkbox"/> Information only <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Action Item	

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The Planning Commission is being asked to consider Conditional Use Permit Application CUP 2022-02 and Design Review, (DR 2022-02) for the development and operation of a +/- 75 Bedroom Hotel with meeting hall/event center, onsite sales and consumptions of alcoholic beverages on 2.8 acres at 6356 Armijo Avenue Clearlake, CA 95422 further described as further described as Assessor’s Parcel Number 042-121-25.

Although not part of these planning applications, the overall project which was evaluated under the related environmental document includes construction of extending 18th Avenue from Old Highway 53 to New Highway 53 which provides critical access to the hotel.



Aerial Project Location Map

BACKGROUND/DISCUSSION:

Conditional Use Permit: Hotel, dining, event centers are allowed by right on the site's GC, General Commercial, Zoned site. However, the hotel facility is proposing to sell alcoholic beverages as part of its operation. Section 18-19-110, Alcoholic Beverage Regulations, requires a conditional use permit from the Planning Commission. This section provides required findings and performance standards that need to be met for this use. Additional discussion is offered for the Zoning Ordinance Regulations discussion section below.

Design Review: The hotel facility and related physical improvements to the 2.8 acres site is subject to approval of Design Review in accordance with Chapter 18-33 of the Municipal Code. The purpose of design review is to assure new development and related community appearance changes will enhance the design characteristic in all neighborhoods within the City of Clearlake. Additional discussion is offered under the Design Review section of this report below.

Environmental Review: The hotel project, subject to Planning Commission consideration through the conditional use permit or design review applications, was included in an overall environmental review that included construction of extending 18th Avenue from Old Highway 53 to New Highway 53 (since it provides critical access to the hotel) the roadway improvements are not subject to Planning Commission approval. However, since the environmental document is subject to approval by the Planning Commission, the Commission's purview of this road project is limited to evaluating the adequacy of the environmental document. Additional discussion is offered under the Environmental Review section of this report below.

Access to Site: Site access would be from a single driveway off the new 18th Avenue Extension. This access provides sufficient capacity to serve the hotel facility with related circulation improvements including a parking lot along the north, south and east sides of the site.

Water Availability Analysis/Usage: The project would be served potable water from the Konocti County Water District which has indicated that they have sufficient water to serve the project (see environmental document and their related comments). The hotel will be served by a services lateral connected to the main line to the north of the hotel site, in Victor Street. Utilities developed as part of the proposed roadway extension would include extension of a 10-inch water line, along the 18th Avenue Extension project. This water main will be connected to Highlands Mutual Water system, which will service future development to the south of 18th Avenue. 18th Avenue is the north/south dividing line between the two districts. A condition of the use permit requires that water service be made available prior to occupancy. Although the water district has indicated that it has capacity to serve this project, it has implanted a conservation plan to reduce water use by 35% to address the current drought situation.

Water usage for hotels can vary considerably from one hotel type to the next. However, based on review of other water usage data for similar hotels, for the 75-room hotel with facilities, it is expected that the hotel project would use about 15,000 gallons of water per day (at about 200 gallons per room) during peak demand (including the event center). Normal occupancy of the hotel would reduce this to less than 10,000 gallons per day. This usage is considered to have a minimal impact of water supplies in the City based on the environmental document. Section 14-b of this document notes that because this project was included in the regional water demand forecasts from the Lake County Water Protection District and is less than this forecast referenced in the General Plan EIR, the project would not result in a significant impact to water usage and availability. Also, the project would comply with Section 18-20.130 of the City's Municipal Code, which contains the City's Water Efficient Landscape Ordinance.

General Plan Consistency, and Zoning and Design Standards

Related General Plan Policies for the Hotel Project:

Economic Development Element:

- The City shall allow the use of the former airport area for additional regional retail and commercial expansion.
- The City should approve development proposals suitable for business districts with specific functional uses including office, commercial, retail, and applicable industry.
- The City shall support a healthy mix of businesses.
- Provide high-quality municipal services, facilities, and economic development assistance for business growth and expansion.
- The City should reduce obstacles and barriers for business establishment and development.
- Enhance services and amenities for tourist-serving purposes.

Land Use Element:

- Provide opportunity for regional shopping.
- The City shall consider land use compatibility between residential and non-residential uses to adequately mitigate health risk impacts.
- Locate commercial development to complement neighboring land uses.

Community Design Element: See Design Review section of this report which cites some design consistency policies in the General Plan.

Related General Plan Policies for the Road Extension Project: Since the hotel project requires access and the project does involve development of the 18th Avenue Extension that will improve access from Old Highway 53 to New Highway 54, the project will certainly improve economic development opportunities in the Airport Commercial Area and the southwest portions of the City. Therefore, other related General Plan policies related to the road extension project include:

Circulation Element:

- New development should incorporate connected street and pedestrian/bicycle networks, with many connections between new and older neighborhoods and between neighborhood and commercial areas.
- The planning, alignment, and improvement of the street network will reflect the proposed land use pattern of the General Plan.

Safety Element:

- Designate emergency evacuation routes to provide a means to evacuate the community.
- The City shall require adequate emergency transportation access to new developments.

Zoning Code Land Use Compatibility: In accordance with Section 18.14.445 (b) of the Zoning Code the Planning Commission needs to find that the hotel and event center will not be detrimental to the health, safety, convenience, or general welfare of persons residing or working in the vicinity, or injurious to the property, improvements, or potential development in the vicinity. In this case the Commission should evaluate the compatibility of the project with the neighborhood, which consists of primarily vacant land (future commercial uses to the south, some industrial uses to the southwest, and a couple of houses to the west. Approximately one-third of the site to the west of the hotel project consists of vacant land which previously contained a number of trees (some have been burned from a recent fire). As discussed in the environmental document, the proposed project would not result in any significant environmental effects that cannot be mitigated to a less-than-significant level by the mitigation measures. The project appears to be compatible with the neighborhood and should be found to meet the required Planning Commission findings under this provision of the Code.

On-Site Alcoholic Beverage Sales: Section 18-19.110 of the Zoning Code requires a use permit from the Planning Commission for businesses whose floor space is primarily devoted to the sale of beer, wine or other alcoholic beverages for on-premises consumption and which requires a license under state regulations. Specific criteria for approving the alcoholic beverage use permit for the hotel and event center include making sure this activity is compatible with the neighborhood and safe to the public. Specific operational standards are provided in the regulations when the Police Chief issues the alcoholic beverage license.

Timing of the Conditional Use Permit and Design Review Approvals: Section 18-28.030 of the Zoning Code provides for a one-year approval for projects unless otherwise provided by the Planning Commission. Given the project is large and there is a need to complete road improvements with other required permits from other agencies, such as Konocti County Water District, Lake County Special Districts, and CalTrans, the recommended conditions of approval provide for a two-year approval. Furthermore, staff has the authority to grant extensions to the use permit and design review.

Zoning Code Property Development Standards:

Building Coverage and Height: There is no maximum or minimum lot coverage requirements in the General Commercial Zone. In accordance with Section 18-09.020-c of the Zoning Code, the maximum building height in this district is 35 feet and up to 50 feet with a conditional use permit. Plans show a four-story hotel building that is approaching 50 feet in height. The Planning Commission should evaluate the building height and massing of the building in relation to the surrounding neighborhood and planned commercial center in the Airport Area. The building would, in staff's opinion, be an attractive architectural enhancement to the neighborhood and its height is needed to take advantage of the dramatic views of the lake. A condition has been included to make sure the building does not exceed a height of 50 feet.

Off-Street Parking: The project proposes 109 off-street parking spaces. Based on the City's Zoning Code the minimum number of required spaces is 113 (see Table 14 from the Project Traffic Study). As noted in this study, the project should have sufficient parking even though the project is short four spaces (see Appendix C, Traffic Impact Study from the environmental

document). Section 18-20.090 (C) of the Zoning Code allows the Planning Commission to grant an exception for mixed uses to allow up to a 10% reduction of the required parking which would be up to 11 spaces. Findings for this exception are included in the recommended project approval.

Table 14 – Parking Analysis Summary

Land Use	Units	City Requirements	
		Rate	Spaces Required
Hotel (Guest Rooms)	75 rms	1.2 spaces per room	90
Meeting Space	2,300 sf	1 space per 100 sf	23
Supply Required per Code			113
Proposed Supply			109

Notes: rms = rooms; sf = square feet

Tree Removal: Chapter 18-40 of the Zoning Code defines Protected Trees as native oak trees, such as Blue Oak, Valley Oak, Interior Live Oak, California Black Oak, Canyon Live Oak, and Oregon White Oak with a greater than six-inch diameter at breast height (DBH).

An Arborist Report was prepared to evaluate the health and structural condition of the trees within the project area, determine which trees could be preserved and removed, and provide guidelines for tree preservation during the design, construction, and maintenance phases of development (refer to Appendix B of the environmental document). However, in July 2022, after the tree survey was conducted, a fire occurred that potentially damaged, injured, and/or killed some of the existing protected trees. As such, a Post-Fire Tree Assessment was prepared by Live Oak Associates (LOA), which provided recommendations to determine the health status of each tree. As referenced in the conditions of approval a tree removal permit will be required which may include replacement trees for trees removed by the project or payment of in-lieu fees as provided in the regulations. Mitigation Measure BIO-5, in the environmental document requires adequate mitigation of tree removal. It is noted that the preliminary landscaping plans show the planting of over 35 trees that should be used to apply for replacement trees. Additional tree planting could occur along the 18th Avenue Extension project as determined appropriate by staff.

Design Standards: The Zoning Code references a number of design standards that new development is subject to, such as exterior lighting, signage, and landscaping. These are discussed further in the Design Review section of this report.

Design Review: The project is subject to Design Review approval in accordance with Chapter 18-33 of the Zoning Code because it is a new development. The purpose of Design Review is to make sure new development provides for an acceptable community appearance and enhances the design characteristic in the neighborhood.

The project proposes a four-story hotel building, a restaurant/event center, parking, landscaping, lighting, and other related improvements that should be reviewed by the Planning Commission to assure the project meets the purpose of Design Review. The building would incorporate cement type siding with in various brown, beige, and grey tones. Both buildings

would incorporate flat roofs with parapets to hide roof mounted mechanical equipment, such as HVAC units. Overall, the project would appear to meet the purposed of Design Review.

The City, through the Zoning Code, has adopted several design standards for many of these components, but has not yet prepared a Design Manual. Consequently, this review should look at the overall project and review for compliance with specific design standard categories discussed in more detail below.

Landscaping: Project plans provide a preliminary landscaping plan that appears to meet the City's *Landscaping and Irrigation Standards*. It is noted that the planting list presents a wide range of plant types, many which are referenced in the City's plant palette list in the City's standards. However, the final plans will need to be more specific. Also, there are no irrigation plans in the plan package. Recommended conditions of approval requires submittal and approval by staff of detailed landscaping and irrigation plans that complies with these standards

Exterior Lighting: The project plan package does not include any exterior lighting details of the project. As a condition of approval, a detailed lighting plan will need to be submitted to staff for approval that demonstrates compliance with the City's lighting standards.

Signage: The project plan package does not include any details of any new signage. As a condition of approval, a detailed sign program will need to be submitted for staff approval that demonstrates compliance with the City's Sign Regulations.

Trash/Recycling Containment: The project plan package shows location and construction of a trash enclosure at the northeast corner of the parking lot. It would have good access for servicing. As a condition of approval, a detailed trash/recycling enclosure plan will need to be submitted to staff for approval that demonstrates compliance with the City's Trash/Recycling Enclosure Requirements and Design Standards.

Other Considerations/Coordinated Road and Utility Improvements: The City is responsible for constructing the roadway improvements for the 18th Avenue Extension. This includes obtaining the necessary encroachment permit from Caltrans for improvements to the intersection at Highway 53. Also, other City coordination will involve Konocti County Water District for water line and system improvements, Lake County Special Districts for sewer line and system improvements, and other agencies for gas, electrical and other dry utilities. Staff will be coordinating this work as the hotel project is being constructed, however, the only requirements by the hotel project applicant will be to obtain an encroachment permit from the City for the driveway connection between the hotel and 18th Avenue.

Environmental Review (CEQA):

In accordance with CEQA requirements, an Environmental Assessment/Initial Study has been prepared for the proposed project with the conclusion that a Mitigated Negative Declaration (MND) is the appropriate document per CEQA regulations and the City's Environmental Guidelines. The Final Initial Study/Proposed MND concludes that any potentially significant adverse environmental impacts from the project would be reduced to a level of non-significance subject to 33 mitigation measures. Technical reports that were included in this environmental document include air quality impact, biological, and traffic impact studies (Appendix A, B, and C). Specifically, mitigation measures are proposed for Aesthetics, Air Quality, Biological Resources, Cultural Resources and Tribal Cultural Resources, Geology and Soils, and Noise. The project designer worked directly with the Traffic consultant on this project to

redesign roadway design to mitigate traffic impacts. The draft Initial Study was circulated for public review between October 26th, 2022, through November 30th, 2022.

The City received written public agency comments on the Draft environmental document from Caltrans, Central Valley Regional Water Quality Control Board, Konocti County Water District, and Lake County Health Services Department. A Final environmental document was prepared addressing these comments on December 5, 2022 (see attachment). The Final environmental document was not significantly changed to require recirculation and, therefore, becomes the final environmental determination for the project. In accordance with CEQA, the Planning Commission will need to concur with the adequacy of the Final Initial Study and proposed mitigated negative declaration before taking action to approve the project. Specific findings for this noticing have been included in the project findings for approval.

PUBLIC HEARING LEGAL NOTICE

The public hearing was noticed at least ten (10) days in advance in an electronic publication with the Lake County Record Bee on **Saturday, December 3rd, 2022**; and mailed (via USPS) to all surrounding property owners within 600 feet of the subject parcel(s) as required pursuant to the Clearlake Municipal Code.

- *All mailing address are drawn from the electronic database supplied by the Lake County Assessor/Recorders Office Database.*

OPTIONS:

1. Move to Adopt Resolution PC 2022-26, A Resolution of the Planning Commission of the City of Clearlake Approving Conditional Use Permits CUP 2022-02, Design Review DR 2022-02 and recommending approval of a Mitigated Negative Declaration based on Initial Study 2022-06 for the development and operation of a +/- 75 Bedroom Hotel with meeting hall/event center, onsite sales and consumptions of alcoholic beverages on 2.8 acres at 6356 Armijo Avenue Clearlake, CA 95422.
2. Move to Deny Resolution PC 2022-26 and direct Staff to Prepare the Appropriate Findings.
3. Move to continue the items and provide alternate direction to staff.

- Attachments:**
1. **Resolution with Conditions of Approval**
 2. **Hotel Site and Architectural Plans**
 3. **18th Avenue Diagram**
 4. **Agency Comments**
 5. **Final CEQA IS 2022-06**
 6. **Copy of Public Notices**