

# Agenda Report

April 28, 2014

**TO:** Honorable Mayor and City Council

**FROM:** Planning & Community Development Department

**SUBJECT: CONSIDERATION OF CONDITIONAL USE PERMIT #5209 AND OTHER LAND USE ENTITLEMENTS, PRIVATE TREE REMOVAL, FINAL ENVIRONMENTAL IMPACT REPORT, AND STATEMENT OF OVERRIDING CONSIDERATIONS FOR THE COLORADO AT LAKE MIXED-USE PROJECT AT 880-940 EAST COLORADO BOULEVARD WITH SHARED PARKING AT 2 NORTH LAKE AVENUE**

**RECOMMENDATION:**

It is recommended that the City Council take the following actions:

1. Adopt the resolution certifying the Final Environmental Impact Report and adopting environmental findings in accordance with the California Environmental Quality Act (CEQA) for the Colorado at Lake Project.
2. Adopt the resolution adopting a Statement of Overriding Considerations and a Mitigation Monitoring and Reporting Program for the Alternative 3 – Hotel Option Project.
3. Uphold the Board of Zoning Appeals' decision and adopt as the Council's decision the following actions:
  - a. Approve the Findings of Fact (Attachment A), with the Conditions of Approval (Attachment B), the Scope of Development (Attachment C), and the Compliance with the General Plan and Specific Plan (Attachment D), for the Alternative 3 – Hotel Option Project.
  - b. Approve the Conditional Use Permit for a new non-residential project that exceeds 25,000 square feet (Attachment A).
  - c. Approve the Conditional Use Permit to establish a Lodging (Hotel) Use in the CD-5 zoning district.

- d. Approve the Minor Conditional Use Permit for a new project that exceeds 15,000 square feet in the Transit-Oriented District (Attachment A).
  - e. Approve the Minor Conditional Use Permit for Shared Parking (Attachment A).
  - f. Approve the Minor Conditional Use Permit for Tandem Parking (Attachment A). Approve the Minor Conditional Use Permit for Valet Parking (Attachment A).
  - g. Approve the Variance for a reduction in the number of required loading spaces (Attachment A).
  - h. Approve the Variance for the reductions in the required dimensional requirements for loading spaces (Attachment A).
  - i. Approve the Private Tree Removal Application (Attachment A).
4. Add a Condition of Approval (Attachment E, #76, "Indemnification") regarding not holding the City liable from any potential future legal action.

## **EXECUTIVE SUMMARY:**

### **Legal Procedure and Outcome**

The Pasadena Coalition for Responsible Development ("Coalition") brought suit against The City of Pasadena as respondent, and Park Place Commercial, L.P. ("Developer") as real party in interest, over the development project at 880 East Colorado Boulevard (sometimes known as the "Constance Hotel project"). The Environmental Impact Report for the project was certified and all required land use permits were approved by the hearing officer in October of 2010. The Coalition appealed these approvals to the Board of Zoning Appeals, which denied the appeal, certified the EIR, and granted the land use approval in November of 2010. The Coalition appealed again, this time to the City Council. Pursuant to Pasadena Municipal Code Section 17.72.070.B(5), in December of 2010 the City Council let stand the decision of the Board of Zoning Appeals. In the subsequent litigation brought by the Coalition in early 2011, the trial court decided only one issue, namely that the City had improperly failed to vote on certification of the Environmental Impact Report. Having decided the matter on procedural grounds, the trial court did not reach any of the substantive issues raised by the Coalition.

The City and the Developer appealed the trial court's decision, and in January of 2014 the Court of Appeal dismissed that appeal. The Court of Appeal concluded that the Council must vote on the Environmental Impact Report, issue a written explanation of its decision, and make supporting findings. The Court of Appeal explained that a new public hearing was not necessary, and that it would be proper for the Council to vote on the EIR and expressly adopt the Board of Zoning Appeals' explanations and findings as

its own. The Court of Appeal concluded that after the City takes these actions, the remaining substantive matters could be at issue and the remainder of the case could proceed.

The Developer has appealed the matter to the California Supreme Court, and on Wednesday, April 16, 2014, the Supreme Court denied review. The Developer has requested that the City take action to comply with the Court of Appeals' order immediately.

It is to be expected that, if Council takes action as proposed in the recommendation, the Coalition will proceed with the remainder of the litigation and seek a trial court determination regarding the substantive matters raised in their Petition for Writ of Mandate.

### Status of the Development Project

Throughout the litigation described above, development at the project site proceeded. Continued development was proper because the Coalition never sought a stay of enforcement, and the court has not yet decided the substantive claims brought in the Petition for Writ of Mandate. If Council takes action as proposed in the recommendation, the project may continue to move forward.

Since the project was deemed approved in 2010, a number of Design Reviews, Building Permits, and Zoning Applications have been processed, as listed below.

### *Design Reviews*

- Consolidated Design Review: Rehabilitation of Constance Hotel.
  - Status: Approved February 28, 2011.
- Concept Design Review: Rehabilitation of an existing six-bay commercial building adjoining the Constance Hotel, demolition of a two-bay commercial building and two-story parking garage and construction of a new three-story commercial building and four-story parking garage.
  - Status: Approved April 23, 2012.
- Final Design Review: Rehabilitation of an existing six-bay commercial building adjoining the Constance Hotel, demolition of a two-bay commercial building and two-story parking garage and construction of a new three-story commercial building and four-story parking garage.
  - Status: Approved September 10, 2012.
- Preliminary Consultation: Four-story addition to rear of Constance Hotel.
  - Status: Presented to Design Commission December 10, 2012.

- Concept Design Review: Four-story addition to rear of Constance Hotel.
  - Status: Approved March 23, 2013.
- Concept Design Review (Minor Change): Four-story addition to rear of Constance Hotel.
  - Status: Approved April 18, 2013.
- Final Design Review: Four-story addition to rear of Constance Hotel.
  - Status: Approved June 24, 2013.

### *Building Permits*

- BLD2011-00242: Rehabilitation of the exterior and interior of seven-story hotel. Includes restoration of entrance, storefronts and windows. Remodel all guestrooms and new steel stairs.
  - Status: Issued October 20, 2011; work on-going.
- BLD2013-00035: Construct new underground structural concrete transformer vault, grease interceptor, future drain lines, and future electrical conduits for Phase B.
  - Status: Issued March 25, 2013; work on-going.
- BLD2013-00384: Commercial addition to existing hotel at 5,474 square feet, remodel 18,759 square feet of existing space and construct new four-level above-grade parking structure at 128,181 square feet, and renovate existing kitchen.
  - Status: Issued December 31, 2013; work on-going.
- BLD2013-00583: Replacement of staircase in basement from concrete to steel and add 250 square feet on mezzanine.
  - Status: Issued August 6, 2013; work on-going.
- BLD2013-01381: Tenant improvement for converting meeting room to temporary kitchen; interior work only, 900 square feet.
  - Status: Issued March 18, 2014; work on-going.

### *Zoning Applications*

- Certificate of Exception #325: Lot Line Adjustment to reconfigure the lot lines between three legal lots.
  - Status: Approved January 16, 2013.
- Conditional Use Permit #6083: To allow the on-site sale and consumption of beer, wine, and distilled spirits (full alcohol) in conjunction with the operation of a hotel restaurant and lobby bar.
  - Issued: Deemed incomplete for processing August 16, 2013.

## **BACKGROUND:**

The project proposal is summarized below, as are the land use entitlements and environmental review needed for the project. For the full description and analysis of the project, please see the City Council staff report and attachments, dated December 13, 2010 (Attachment F).

### Project Proposal

The applicant, Park Place Commercial LP, applied in February 2009 for the construction of a mixed-use project at 880-940 E. Colorado Boulevard, bounded by East Colorado Boulevard, South Lake Avenue, and South Mentor Avenue. The Project would be constructed in two phases:

- Phase 1 - Renovation and re-use of the Constance Hotel building and historic one-story buildings with hotel, restaurant, and retail uses; and construction of an above-grade parking garage with 125 spaces.
- Phase 2 - Construction of a rear addition to the hotel including five residential units; and construction of a new office building with restaurant and retail uses and a subterranean parking garage with 320 spaces.

The full Project includes: 156 hotel rooms; five residential condominium units; a new office building with six occupied floors; and retail and restaurant uses. The total square footage of the completed development will be 231,711 square feet. (Currently, the total square footage of all existing buildings on the site is 101,646 square feet). The Project also satisfies a portion of the required parking with a shared parking arrangement at the existing parking garage at 2 North Lake Avenue, which currently serves a large office building.

### Land Use Entitlements Required for the Project

The Project required several land use entitlements including Conditional Use Permits, Minor Conditional Use Permits, two Variances for loading, and Private Tree Removal of three protected trees, in addition, to concept and final design approval by the Design Commission.

### Environmental Impact Report and Statement of Overriding Considerations

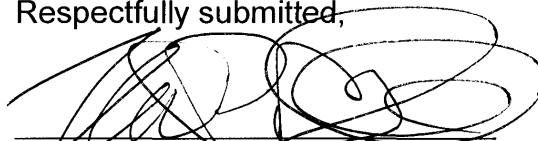
A Draft and Final Environmental Impact Report were prepared by the City to analyze the potential environmental impacts of the project and four project alternatives. Of these alternatives, Alternative 3 (Hotel Option Project) was selected as the preferred alternative and ultimately approved.

It was determined that significant unavoidable environmental impacts would in the areas of: Air Quality (during the construction period only) and Transportation and Circulation (three street segments on Mentor Avenue, but no intersection impacts). Therefore, the Project required a Statement of Overriding Conditions for approval. All other impacts were found to be less than significant with mitigation measures incorporated.

**FISCAL IMPACT:**

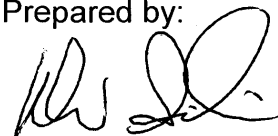
Based on a financial analysis prepared by CBRE Richard Ellis (Attachment G to Attachment F of this report) the project will generate over \$4 million in one-time revenues for the City and annual revenues exceeding \$1.1 million.

Respectfully submitted,



VINCENT P. BERTONI, AICP  
Director of Planning & Community  
Development Department

Prepared by:



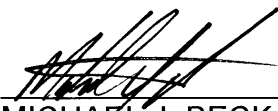
David Sinclair, LEED AP  
Planner

Concurred by:



David Reyes  
Deputy Director of Planning & Community  
Development Department

Approved by:



MICHAEL J. BECK  
City Manager

Attachments: (6)

Attachment A – Findings of Fact

Attachment B – Conditions of Approval

Attachment C – Scope of Work of the Project

Attachment D – Compliance of the Project with Goals, Policies, and Objectives of the General Plan and the Central District Specific Plan

Attachment E – Condition of Approval #76 (“Indemnification”)

Attachment F – City Council Report and Attachments (Conditional Use Permit #5209), December 13, 2010