



DATE: August 12, 2022

File: UP 19-25
AR 19-22

TO: PLANNING COMMISSION

FROM: Bruce Ambo, Principal Planner (879-6801; bruce.ambo@chicoca.gov)
Kelly Murphy, Senior Planner (879-6535; kelly.murphy@chicoca.gov)

RE: Confirmation of Planning Commission Denial and Adoption of Resolution Denying Use Permit 19-25 and Architectural Review 19-22 (TownePlace Suites Hotel); Proposed at Bruce Road, Deer Creek Highway (State Route 32) and Sierra Sunrise Terrace, APN 018-230-001.

BACKGROUND

On July 21, 2022, the Planning Commission held a public hearing and considered a use permit (UP 19-25) and associated architectural review application (AR 19-22) to construct a four-story, 112 room hotel building on a vacant 4.09 acre site located south of Sierra Sunrise Terrace and northeast of the intersection of Deer Creek Highway (SR 32) and Bruce Road. After hearing public comments and deliberating on the project, the Planning Commission determined that the project did not meet the threshold for use permit findings D and E and voted 3-2 to deny the use permit request necessary to establish a hotel land use at this location (see **Attachment A**, Draft Planning Commission Minutes).

The project applicant has appealed that decision to the City Council, contending that the project is consistent with the General Plan and justifying how the proposed design, location, size and operating characteristics of the proposed hotel use would be compatible with the existing and future land uses in the vicinity (see **Attachment B**, Appeal Letter).

A resolution of denial is needed to complete the record of proceedings. The minutes from the July 21, 2022, Planning Commission would have also been approved under earlier action at this same meeting under the Consent Agenda. It is not necessary nor recommended to open this item up for public discussion since this item only formalizes the earlier action to deny the project.

RECOMMENDATION

Staff is recommending that the attached resolution of denial be reviewed and adopted by the Planning Commission (see **Attachment C**, Denial Resolution).

ATTACHMENTS

- A. July 21, 2022, Planning Commission Minutes
- B. City Council Appeal Letter
- C. Draft Planning Commission Resolution Denying Use Permit 19-25 and Architectural Review 19-22 (TownePlace Suites Hotel)

**CITY OF CHICO PLANNING COMMISSION
REGULAR MEETING OF
July 21, 2022
DRAFT Minutes**

Municipal Center
421 Main Street
Council Chambers

Commissioners Present: Toni Scott, Chair
Richard Ober, Vice Chair
Paul Cooper
Dennis Deromedi
Larry Wahl

Commissioners Absent: Lindsay Poulin
Bryce Goldstein

Staff Members Present: Brendan Vieg, Community Development Director
Bruce Ambo, AICP, Principal Planner
Kelly Murphy, Senior Planner
Matt Johnson, Senior Development Engineer
Scott Nichols, City Attorney (via Zoom)
Nicole Acain, Administrative Assistant

1. CALL TO ORDER

Chair Scott called the meeting to order at 6:00 pm.

1.1 *Chair Scott led the Pledge of Allegiance.*

1.2 Commission members and staff were present as noted.

2. CONSENT AGENDA

Commissioner Ober moved to approve the minutes from the June 16, 2022, meeting.

Commissioner Wahl seconded the motion.

The motion carried by the following vote:

AYES: Scott, Ober, Cooper, Deromedi, Wahl.

NOES: None.

ABSTAIN: None.

ABSENT: Goldstein, Poulin.

3. BUSINESS FROM THE FLOOR

None.

4. PUBLIC HEARINGS

4.1 TownePlace Suites Hotel, located south of Sierra Sunrise Terrace and northeast of the intersection of Deer Creek Highway (SR 32) and Bruce Road, APN 018-230-001. A proposal to construct a new hotel building on a vacant 4.09 acre site located south of Sierra Sunrise Terrace and northeast of the intersection of Deer Creek Highway (SR 32) and Bruce Road. The site is designated Commercial Mixed Use on the General Plan Land Use Diagram and zoned CC (Community Commercial). The proposed hotel building would have four stories and a footprint of 16,655 square feet, containing a total of 112 guest rooms. pursuant to Chico Municipal Code (CMC) Section 19.44.020, Table 4-6, a hotel use may be established in the CC zoning district subject to use permit approval. The proposed development project has been determined to be categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15332 (In-Fill Development Projects). **Questions regarding this project may be directed to Senior Planner Kelly Murphy at (530) 879-6535 or kelly.murphy@chicoca.gov.**

Announcement of Ex Parte communications:

- Chair Scott met with Jim Stevens regarding the project and had a site visit.
- Commissioner Cooper met with Jim Stevens regarding the project, had a site visit and met with Hignell Company – California Park HOA
- Commissioner Deromedi met with Jim Stevens regarding the project and had a site visit
- Commissioner Wahl met with Jim Stevens regarding the project

Chair Scott announced there would be a short 10-minute recess after the first five speakers and opened the public hearing and invited public comments. She encouraged everyone to be respectful of others and refrain from making noises or waving signs and avoid reiterating the same concerns by acknowledging agreement in previous statements.

Addressing the Commission on this item were:

- Jim Stevens, NorthStar Engineering – Applicant
- Mark Wolfe, NorthStar Engineering - Applicant
- Michael Bowers- Applicant, HTH Management – Applicant
- Loren Chilson, Headway Transportation – Applicant
- Kathleen Lambkin – Former President of Sierra Lakeside HOA in Cal Park: Contended that the vision and plan for this community never included a hotel, otherwise residents would not have chosen that location.
- Jeff Lamkin on behalf of Judy Sitton – California Park was designed to create a sense of place, security and serenity for residents. The hotel is inconsistent with these characteristics and the neighborhood's values.
- Valerie Priola – President of Sierra Sunrise Village: Wrote nine letters detailing her concerns about the hotel; stated there are already 599 hotel rooms in Chico.
- Brad Azevedo – Executive Director of The Terraces senior living community. Shared his experience of evacuating the elderly population during the 2018 Camp Fire.
- Jesica Giannola – Resident of District 6. Lack of restaurants and services available for hotel guests would increase dependency on automobiles and generate more traffic. Expressed additional environmental concerns relating to the hotel's water usage.

In summary, speakers expressed that the hotel use would not be neighborhood-serving and would go against the vision and goals for this community, including both residents of California Park and the largest senior living community (Sierra Sunrise Village). Residents chose this area for its security, serenity and privacy, and feel the hotel would be detrimental to these core values. Approval of the hotel project would betray the trust of all residents in this community.

Chair Scott called a brief recess at 7:21 pm. The meeting was reconvened at 7:34 pm. And all members were present.

Reconvene and Call Meeting to Order- 7:34 pm.

- Tally Sturm – Resident of Cal Park since 1984. First community to have a vision, in which the hotel does not fit.
- Martha Ellington – President of Cal Park HOA. Hotel is of great concern to the health and wellbeing of residents.
- Greg Steele – Village Board of Directors (member for 15 years). Expressed concerns about the private road (Sierra Sunrise Terrace) and bridge safety, which are maintained and paid for by the residents of Cal Park.
- James Smith – moved to Chico five years ago. Raised questions regarding the traffic study. Cited General Plan goals and policies that call for “complete neighborhoods”.
- Jeff Carter – Attorney representing Cal Park HOA. Cited General Plan goals and policies for neighborhood compatibility.
- Sandy Goulart – Cal Park resident, longtime Chico resident. Sierra Sunrise Village developed as a model for a peaceful, safe and walkable community.
- Tim Donahue – Cal Park resident for 32 years. This is a corporate hotel chain, not a unique use or architectural design. TOT tax revenue from the hotel would come at the cost of respect for the community.
- Dorinda Salvo – Camp Fire survivors settled in Cal Park. Expressed concerns over emergency evacuation of the neighborhood with the addition of the hotel. Hotel would impact the general welfare of the community.
- BT Chapman – Contended the project does not meet use permit findings B, D and E.
- Janet Pearce – President of Cal Park HOA for past 3 years. Parking on Sierra Sunrise Terrace will impede emergency vehicle access. Traffic impacts would be detrimental.
- Pam Giuliano – resident of Cal Park for 20 years. Compelled the Commission to listen to the “human factor”. Potential tax revenue generated by the hotel should not outweigh the safety and welfare of citizens.
- Marsha Burch – Attorney representing Cal Park and Sierra Sunrise Village HOA. Cited issues related to the environmental document and design review process.
- Maureen Kirk – Hotel would not be compatible with surrounding neighborhood for reasons including impacts to emergency access and evacuation, security of lake and common areas, no amenities within walking distance for hotel guests, lack of employee parking, and traffic/circulation.
- Vic Makau – Claimed the location was marketed as a great place for a hotel to enable sale of the property. There are more suitable locations for this hotel use.
- Sandy Makau – Concerns regarding project lighting and glare, late night traffic, and visual impacts. Neighborhood should not be compromised for commercial development.

In summary, the speakers shared common concerns relating to traffic, emergency vehicle access and fire evacuation, neighborhood security, and cost of maintaining Sierra Sunrise Terrace (a private road). The speakers were unified in their opinion that the proposed hotel would not be compatible with the vision for the Cal Park and Sierra Sunrise Village community, and would be detrimental to the surrounding neighborhood, property and improvements, and general welfare. It was their collective opinion that there are more suitable locations for a hotel use.

With no other members of the public wishing to address the Commission, Chair Scott closed the public hearing at 8:24 pm.

Before further deliberation amongst the Commissioners, Chair Scott addressed the public and reiterated that everyone’s comments had been heard and considered.

Commissioner Wahl asked follow up questions regarding the emergency evacuation management plan for this area to Captain Aldridge, who elaborated on improvements made to the plan and evacuation procedures since the Camp Fire in 2018.

Following an inquiry from Commissioner Cooper, Captain Aldridge also expanded on the City’s ability to police and patrol the private road.

Chair Scott asked the City Attorney if the Commission would be violating any laws by approving the use permit associated with the project prior to a public hearing at the Architectural Review and Historic

Preservation Board. City Attorney Scott Nichols confirmed that the Commission was in receipt of most of the materials the Board would be considering and could proceed in that way.

Commissioner Wahl asked Senior Development Engineer Matt Johnson about maintenance of the bridge on Sierra Sunrise Terrace and any plans to accept a portion of Sierra Sunrise Terrace, a private road. Matt Johnson confirmed that the Public Works Director (Engineering and Maintenance) decided that the City would not be interested in accepting any portion of Sierra Sunrise Terrace.

Commissioner Ober offered observations and comments relating to the trip generation comparison highlighted in the staff report and traffic study. He said he was not convinced by the rationale provided for a hotel use at this specific location, such as economic benefit to the community through TOT, satisfying a need for extended-stay accommodations for professionals to stay, proximity to senior living and care facilities, and that these benefits could be achieved by siting a hotel in another location. Referring to the General Plan as it relates to neighborhood compatibility and the concept of complete neighborhoods, Commissioner Ober concluded that decisions of the Commission should be based on goals and policies that call for reductions to greenhouse gas emissions, creating walkable and bikeable neighborhoods, and reducing our reliance on automobiles. Further, the location proposed is not within the City's core, or a designated opportunity site, where infill is most appropriate and encouraged by the General Plan.

Commissioner Deromedi shared that his experience as both a long time resident and real estate agent in Chico made him sensitive and empathetic to the public opinion that the project would be detrimental to the health, safety and wellness of the surrounding neighborhood, and struggled with justifying a hotel at this location.

Chair Scott commended all in attendance for their participation and input, and specifically referred to a speaker who asked the Commission to consider the "human element" to decisions of land use. While she respected the perspective provided, she expressed that it was the responsibility of the Commission to provide consistency to property owners and investors, and to uphold private property rights. When looking at the black and white of Title 19, hotels are an allowable use with a use permit, and the project is not requesting a zone change or any deviations or exceptions from the development standards. She concluded that since the project meets the criteria set forth in Title 19, it would be detrimental to the investors who come to our community trusting in the integrity of Title 19, to assess projects on any other basis. She acknowledged that the project's compatibility with the neighborhood could be argued, but that would be the only reasoning to deny the project as it meets all other criteria for use permit authorization.

Commissioner Cooper expressed conflicted feelings between analyzing the project against the black and white of Title 19 and the more subjective elements of the project's compatibility.

Commissioner Ober made a motion to deny Resolution No. 22-04 (Attachment A), and deny Use Permit application 19-25 and Architectural Review application 19-22 for the property identified as APN 018-230-001, based on previous statements explaining that the project fails to meet the threshold outlined in items:

D: The proposed entitlement is inconsistent with the General Plan.

E: The design, location, size, and operating characteristics of the proposed use are incompatible with the existing and future land uses in the vicinity.

Commissioner Deromedi seconded the motion.

The motion was approved by the following vote:

AYES: Ober, Cooper, Deromedi,

NOES: Scott, Wahl.

ABSTAIN: None.

ABSENT: Goldstein, Poulin.

5. REGULAR AGENDA

None.

6. REPORTS AND COMMUNICATION

None.

7. ADJOURNMENT

The meeting adjourned at 8:40 pm. to the following regular meeting of Thursday, August 4, 2022.

Date Approved

Bruce Ambo, Principal Planner
Community Development Department /
Planning Commission Secretary

RECEIVED

JUL 29 2022

CITY CLERK
CITY OF CHICO

CITY OF CHICO
APPLICATION FOR APPEAL TO CITY COUNCIL
DECISIONS OF BOARDS, COMMISSIONS, OFFICERS OR EMPLOYEES
(Pursuant to Chapter 2.80 and Section 18.17.080 of the Chico Municipal Code)

Continuum Hospitality, LLC 5080 California Ave. #415 93311 (661) 348-5956

1. Name of Appellant Address Zip Code Phone
James Stevens PLS 111 Mission Ranch Blvd. # 95926 (530) 893-1600

2. Official Representative (If Any) Address Zip Code Phone
Northeast Corner of Bruce Road and Hwy. 32

3. Address or Location of Property Involved (If Applicable)

4. Confirmation of the Timely Filing of Appeal:

Final Decision of a City Board or Commission: Planning Commission, July 21, 2022
Date of meeting at which the decision was made
(Appeal must be filed within 10 days following the date of meeting)

Decision/Determination/Order Made by City Officer or Employee:
Date of personal service or postmark
(Appeal must be filed within 10 days that written notice of decision was served in person or 15 days of depositing in mail, whichever occurs first)

5. Indicate if this appeal is being filed pursuant to Chico Municipal Code:

Chapter 2.80 entitled "Appeals from a Decision, Determination or Order Made or Issued by a City Board, Commission, Officer or Employee".

Section 18.17.080 entitled "Appeals to the City Council" involving minor land divisions, boundary line modifications and mergers or subdivision design and improvement standards.

6. Briefly state (a) the decision/determination/order that was made, and (b) the name of the Board, Commission, Officer or Employee who made it.

Denial of Use Permit and Design Review approval by Planning Commission

7. State the reason(s) for filing the appeal and specifically identify the item(s) you are requesting to appeal. Only the item(s) specifically identified by you on this application will be considered for appeal. You may attach additional sheets if necessary. Please attach a copy of any written notice received from the City.

We would like the City Council to overturn the action taken by the Planning Commission and approve the project based upon staff's recommended findings and other information in the record to date.

8. Indicate any procedural or factual errors that may have contributed to the decision being appealed.

We are concerned that we must file this appeal without benefit of an adopted Resolution by the Planning Commission

July 29, 2022

Date


Signature of Appellant or Official Representative

Fee Received* \$ 259.00

Official Receipt No. 13522

Received By: se

*Qualified low-income applicants may file for an appeal fee exemption.



Architecture
Civil Engineering
Planning
Surveying
Water Resources

July 29, 2022

Ms. Deborah Presson, MMC
City Clerk
City of Chico
411 Main Street
Chico, Calif. 95928

RECEIVED

JUL 29 2022
CITY CLERK
CITY OF CHICO

HAND DELIVERED THIS DATE

RE: Appeal of the Planning Commission's action to deny a Use Permit and Design Review approval for the Towne Place Suites hotel

Dear Ms. Presson:

We respectfully submit this appeal of the July 21, 2022 Planning Commission decision to deny the application for a use permit and design review for a 112-room extended stay hotel on the property at the northeast corner of Bruce Road and State Hwy 32.

In our view, the Commission's decision was made more in response to passionate testimony than as a result of balanced analysis and proper consideration of staff's recommendations. From the draft resolution we received, the Planning Commission intends to find the project inconsistent with the General Plan's Land Use and Community Design goals and policies. Such a finding does not comport with certain facts in this matter, and conflicts with the assessment of the project by the City's skilled, experienced, and uniquely qualified planning experts.

We ask that the City Council correct the Planning Commission's action by approving the requested Use Permit and Design Review applications.

Sincerely,

James Stevens, PLS

NorthStar

1 **RESOLUTION NO. 22-04**

2 **RESOLUTION OF THE CITY OF CHICO PLANNING COMMISSION**
3 **DENYING USE PERMIT 19-25 AND ARCHITECTURAL REVIEW 19-22**
4 **FOR A NEW HOTEL SOUTH OF SIERRA SUNRISE TERRACE AND NORTHEAST**
5 **OF THE INTERSECTION OF DEER CREEK HIGHWAY (SR 32) AND BRUCE**
6 **ROAD; APN 018-230-001**
7 **(TOWNEPLACE SUITES HOTEL)**

8 WHEREAS, applications have been submitted for a Use Permit and Architectural Review
9 to establish a hotel land use south of Sierra Sunrise Terrace and northeast of the intersection of
10 Deer Creek Highway (SR 32) and Bruce Road (APN 018-230-001); and

11 WHEREAS, the Planning Commission considered the staff report and written and oral
12 comments submitted at a duly noticed public hearing held on July 21, 2022.

13 NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF
14 THE CITY OF CHICO AS FOLLOWS:

15 A. With regard to the Use Permit, the Planning Commission finds that the project does not meet
16 the requirements of Chico Municipal Code Section 19.20.040 subsections D, and E for issuance
17 of a Use Permit, because:

- 18 1. The proposed development would result in adverse impacts to the health, safety, or
19 welfare of persons residing or working in the neighborhood. The proposed hotel is
20 inconsistent with surrounding residential and senior residential uses both in size and
21 usage. The project is far from existing tourist attractions and amenities and would therefor
22 tend to generate more vehicular traffic trips for tourists to reach entertainment and services.
- 23 2. The proposed project is inconsistent with General Plan goals, policies and actions under
24 Land Use (LU) Goals LU-3 and LU-4; Community Design (CD) Goals CD-5;. Specifically,
25 the project would not enhance the character, identity, and livability of the existing
26 neighborhood (Policy LU-3.3), and would not be considered compatible infill development
27 providing a missing a missing neighborhood element, such as neighborhood retail,
professional services, enhanced architectural quality, and circulation improvements, or that
otherwise contributes positively to the existing neighborhood, consistent with General Plan

1 Policy LU-4.2 and Policy LU-4.4. As proposed, the project would not reinforce the desirable
2 elements of the neighborhood including architectural scale, style, and setback patterns, and
3 would not reflect a context sensitive design that maintains compatibility and raises the quality
4 of the area’s architectural character, inconsistent with General Plan Community Development
5 Policy CD-5.1 and Policy CD-5.3.

6 3. The design, location, size, and operating characteristics of the proposed hotel use are
7 incompatible with the existing and future land uses in the vicinity. The location chosen for
8 the proposed project is inappropriate as it would be disruptive to the surrounding
9 neighborhood, which includes single family residences and senior living facilities.

10 B. Based on all the above, the Planning Commission denies the Use Permit for the proposed
11 hotel project.

12 C. The Planning Commission hereby specifies that the materials and documents which constitute
13 the record of proceedings upon which its decision is based are located at and under the custody of
14 the City of Chico Community Development Department.

15 THE FOREGOING RESOLUTION WAS ADOPTED at a meeting of the Planning
16 Commission of the City of Chico held on August ____, 2022 by the following vote:

17 AYES:

18 NOES:

19 ABSENT:

20 ABSTAIN:

21 DISQUALIFIED:

22 ATTEST:

23 //

24 //

25 APPROVED AS TO FORM

26
27

1
2
3
4

Bruce Ambo
Planning Commission Secretary

Vincent C. Ewing, City Attorney*

*Pursuant to The Charter of
the City of Chico, Section 906(E)