

# City of Sacramento

## Legislation Text

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**File #:** 2019-00693, **Version:** 1

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**Title:**

**(Pass for Publication) Ordinance Approving Development Agreement and Rezoning for Natomas Hyatt House and Place (P18-071)**

File ID: 2019-00693

**Location:** 4850 Duckhorn Drive; APNs: 225-0080-070-0000 (Council District 1)

**Recommendation:**

1) Review a Resolution adopting the Mitigated Negative Declaration Addendum and the Mitigation Monitoring Plan for the Natomas Hyatt House and Place Project; 2) review an Ordinance approving the Development Agreement for the Natomas Hyatt House and Place project 3) review an Ordinance rezoning 3.25± acres from the Employment Center (EC-65-PUD) zone to the General Commercial (C-2-PUD) zone; 4) review a Resolution amending Cambay West/Gateway West Planned Unit Development (PUD) Schematic Plan to re-designate the subject site for commercial use; 5) review a Resolution adopting findings of fact and conditions of approval for Site Plan and Design Review to construct a 120,380 square foot, 4-story hotel with 201 guest rooms on approximately 3.25 acres in the General Commercial and Cambay West/Gateway West PUD (C-2-PUD) zone; and 6) pass for publication the Ordinance titles as required by Sacramento City Charter 32c to be adopted May 28, 2019.

**Contact:** Garrett Norman, Associate Planner, (916) 808-7934; Teresa Haenggi, Senior Planner, (916) 808-7554, Community Development Department

**Presenter:** None

**Attachments:**

01-Description/Analysis

02-Background

03-Resolution: Environmental Addendum

04-Exhibit A: Mitigation Monitoring Plan (MMP)

05-Ordinance: Development Agreement

06-Exhibit A: Development Agreement

07-Ordinance: Rezone

08-Exhibit A: Rezone Exhibit

09-Resolution: Cambay West/Gateway West PUD Schematic Plan Amendment

- 10-Exhibit A: Amended Cambay West/Gateway West PUD Schematic Plan
- 11-Resolution: Project Entitlements for Site Plan and Design Review
- 12-Exhibit A: Site Plan and Floor Plans
- 13-Exhibit B: Elevations
- 14-Exhibit C: Landscape Plans
- 15-Market Study
- 16-Community Comments

## Description/Analysis

**Issue Detail:** The applicant is requesting land use entitlements to construct a new 201-room, 4-story hotel on approximately 3.25 acres in North Natomas. The 120,380 square foot hotel will accommodate both short- and long-term occupancies by providing standard rooms and room suites with kitchens. The hotel will offer standard amenities such as an outdoor pool, restaurant and bar, meeting rooms, and an exercise room. In order to construct the hotel, the applicant is required to obtain the following entitlements: 1) Development Agreement; 2) Rezone from the Employment Center (EC-65-PUD) zone to the General Commercial (C-2-PUD) zone; 3) Planned Unit Development (PUD) Schematic Plan amendment to re-designate the site from office to commercial; and 4) Site Plan and Design Review for construction of the hotel and associated site improvements.

Public/Neighborhood Outreach and Comments: The project was routed to several community groups including Sacramento Area Bicycle Advocates, WalkSacramento, Environmental Council of Sacramento, Region Builders, Preservation Sacramento, Natomas Community Association, Natomas Chamber of Commerce, North Natomas Community Association, Jibe, and the North Natomas Community Coalition.

Staff received comment letters from Jibe, formerly known as the North Natomas Transportation Management Association, and North Natomas Community Coalition on the project which are provided as Attachment 16 of this staff report. The comment letters described below:

1. Jibe commented on the project requesting a “bike-fleet” be provided because of the site’s proximity to an existing bike trail that runs along the I-5 corridor. A bike fleet is a managed group of bicycles that can be utilized by guests and employees. Providing this service will also help meet the projects compliance with the Transportation Systems Management (TSM) program.
  - a. The applicant cooperatively worked with Jibe and has agreed to accommodate this request. An area within the hotel devoted to the bike-fleet is shown on the first-floor plan. The project has also been conditioned to provide a minimum of five bicycles for

the bike-fleet.

2. The North Natomas Community Coalition (NNCC) provided a comment letter on the project. Their comments requested that the site provide a connection to the existing bike path located along Del Paso Road an I-5, provide additional architectural embellishments, and ensure adequate parking be provided to ensure hotel parking would not impact adjacent neighborhoods.
  - a. The applicant responded by revising plans to provide a direct connection to the existing bicycle path.
  - b. The project provides a significant amount of architectural enhancements on all street facing facades, including a varied use of material and color, push and pull façade features, and metal canopy accents over windows. Design review staff does not have concerns on the proposed design.
  - b. The parking district for this site is Urban and does not have a minimum or maximum requirement for hotel parking. Staff acknowledges that Natomas is a more suburban environment and therefore utilized the Suburban Parking District standards as a reference. The Suburban Parking District would require 1 space per 2 guest rooms, therefore requiring 101 spaces. This project is proposing 158 for 201 rooms. All parking spaces are designed to comply with City's minimum depth and width requirements.

The NNCC also mentioned the community's growing concern for the loss of employment (EC) zoned property in North Natomas and how that might impact the attraction of employment generating development. Staff finds that the EC zone has already developed a significant amount of employment uses in the North Natomas area. For example, Centene, currently under construction, will provide 5,000 jobs. Vibra Acute Care (rehabilitation hospital), north of Centene has also been approved and the Universal Technical Institute already exists. Other small- to mid-sized office complexes have already been developed throughout EC zoned property in North Natomas that cater towards a variety of professional office jobs. Furthermore, there is still vacant EC-zoned property remaining along the I-5 corridor and on Del Paso Road. For further analysis of the proposed rezone, please see the Rezone subheading under the Entitlement Review section of this report.

City Code requires all owners within a 500-foot radius of a project site that includes a request for development agreement be notified by mail. The project has been noticed, consistent with City Code requirements and as of writing this report, staff has not heard any opposition to the project.

**Policy Considerations:** The property's General Plan Land Use Designation is Employment Center Mid Rise. Employment Center Mid Rise areas play a critical role in accommodating new businesses and creating new jobs. The combination of high-density buildings and low site coverage in existing

employment centers provides the opportunity for new infill development in these areas with complementary uses that transforms the existing single use areas into more self-sufficient mixed-use areas with reduced dependence on automobile transportation. Allowed uses within this designation include support retail and service uses, such as restaurants, dry-cleaners, gym/fitness centers, markets, hotels, and office services (e.g., printing/copying/shipping). A hotel is an intended use within this General Plan designation. The following policies from the 2035 General Plan support this project:

- **Policy LU 2.5.1: Connected Neighborhoods, Corridors, and Centers.** The City shall require that new development, both infill and greenfield, maximizes connections and minimizes barriers between neighborhoods corridors, and centers within the city.

*The project implements this policy by providing clear delineated pedestrian paths internal to the site that connects to the existing Sheraton hotel to the west. Additional pedestrian connections are provided to Duckhorn Drive and to the existing bicycle path located on the south side of Del Paso Road.*

- **Policy LU 2.7.3: Transitions in Scale.** The City shall require that the scale and massing of new development in higher-density centers and corridors provide appropriate transitions in building height and bulk that are sensitive to the physical and visual character of adjoining neighborhoods that have lower development intensities and building heights.

*The project implements this policy by providing a hotel that complies with the height requirements of the PUD Guidelines in addition to being compatible with the surrounding development. For example, the four story-hotel is consistent with the height of the Sheraton Hotel to the west and is not out of context with the three-story apartment complex south of the site. This site is also located on a six-lane arterial roadway where taller buildings appear less out-of-scale.*

- **Policy LU 2.8.6: Jobs Housing Balance.** The City shall encourage a balance between job type, the workforce, and housing development to reduce the negative impacts of long commutes and provide a range of employment opportunities for all city residents.

*This project helps implement this policy by locating a hotel that is in close proximity to Sacramento International Airport, in addition to being next to I-5, and only a few miles from Downtown Sacramento. Furthermore, hotels are large employment generating uses that do provide for a range of professional, paraprofessional, and working-class jobs, therefore contributing to the jobs housing balance.*

The project area is within the North Natomas Community Plan (NNCP) and the following policies support the project.

- **Policy NN.LU 1.2: Participation in Financing Plan.** The City shall ensure that land owners who are restricted from development for reasons beyond their control should not be required to participate in the Financing Plan until the restriction is resolved.

*The project is required to enter into a development agreement with the City of Sacramento, which is the binding mechanism that requires the landowner participate in the North Natomas Financing Plan.*

- **Policy NN.LU 1.24: Commercial Sites.** The City shall confine commercial to designated sites to avoid strip commercial.

*The project supports this policy by limiting the rezone to the site's 3.25 acres, which will discourage the development of a strip mall at this location. Furthermore, strip malls are more commonly seen along arterial roadways in which this site has direct access from Duckhorn Drive.*

- **Policy NN.LU 1.25: Employment Center Support Commercial.** The City shall allow a maximum of 10 percent of any employment center devoted to support retail serving the commercial needs of the employees and employers. A typical employment center commercial use would be a printing/ copy shop, dry cleaners, travel agent, specialty store, etc.

*Although this PUD has met its maximum 10-percent support retail and thus requires a rezone, staff finds that it is providing an essential service to the regional area and community. Specifically, the market study in Attachment 15 outlined the higher demand for hotels in the North Natomas area. Furthermore, this specific hotel, by design, fulfills a smaller hotel sector by providing for long-term occupancies with hotel rooms that have kitchens. Additionally, this hotel is proposing a restaurant and bar within the hotel which will also help serve guests staying at the Sheraton hotel in addition to residents looking for a place to eat or socialize.*

**Economic Impacts:** Not applicable.

**Environmental Considerations:** The Community Development Department, Environmental Planning Services has reviewed the project for compliance with the requirements of the California Environmental Quality Act (CEQA). The proposed project has been determined to fall within the scope of analysis prepared for the Cambay West PUD (P99-135) Mitigated Negative Declaration (and ratified by City Council on February 13, 2001 (Resolution No. 2001-099).

The proposed project consists of constructing a 120,380-square foot (sf), four-story building that would contain two, joint-hotels with a total of 201 rooms on 3.25 acres within the rezoned General Commercial Planned Unit Development (C-2-PUD) Zone, which modifies the previously anticipated use of office use at the subject site. Environmental planning staff has reviewed the proposed project and on the basis of the whole record before it, has determined that there are no substantial changes proposed to the project nor have any substantial changes occurred that would require major revisions to the 2001 MND. Substantial evidence supports use of the MND and the subsequent review provisions of the California Environmental Quality Act (CEQA) Guidelines Section 15162. This

Addendum to a ratified MND has been prepared pursuant to Title 14, Section 15164 of the California Code of Regulations; the Sacramento Local Environmental Regulations (Resolution 91-892) adopted by the City of Sacramento.

The analyses and applicable mitigation measures (adopted by Resolution No. 2001-100) in the Cambay West PUD MND (P99-135) remain applicable to the Hyatt House and Place (P18-071). The majority of the mitigation measures for the PUD have been complied with and implemented.

With implementation of the applicable mitigation measures, the proposed project will result in less than significant impacts to the physical environment. The Addendum to the MND and the original MND and resolutions (2001-0099 and 2001-0100) with MMP are available on the CDD webpage at: <http://www.cityofsacramento.org/Community-Development/Planning/Environmental/Impact-Reports>

**200-Year Flood Protection:** State Law (SB 5) and Planning and Development Code Chapter 17.810 require that the City must make specific findings prior to approving certain entitlements for projects within a flood hazard zone. The purpose is to ensure that new development will have protection from a 200-year flood event or will achieve that protection by 2025. The project site is within a flood hazard zone and is an area covered by SAFCA's Improvements to the State Plan of Flood Control System, and specific findings related to the level of protection have been incorporated as part of this project. Even though the project site is within a flood hazard zone, the local flood management agency, SAFCA, has made adequate progress on the construction of a flood protection system that will ensure protection from a 200-year flood event or will achieve that protection by 2025. This is based on the SAFCA Urban level of flood protection plan, adequate progress baseline report, and adequate progress toward an urban level of flood protection engineer's report that were accepted by City Council Resolution No. 2016-0226 on June 21, 2016 and the SAFCA 2018 Adequate Progress Annual Report accepted by City Council Resolution No. 2018-0445 on November 20, 2018.

**Sustainability:** The project complies with the City's tree shading requirement, resulting in a decrease of the urban heat island effect because of more shaded impervious surfaces. Building construction will also comply with Title 24 Building Code requirements related to energy conservation and green design, construction and maintenance.

**Commission/Committee Action:** On May 9, 2019, the Planning and Design Commission held a public hearing on the Natomas Hyatt House and Place project and unanimously passed a motion to forward a recommendation of approval to City Council.

**Rationale for Recommendation:** Staff recommends the Council pass a motion for approval based on the findings of fact and subject to the conditions of approval listed in the attachments of this staff report. Staff finds the project is consistent with the goals and policies of the General Plan related to providing a project with internal pedestrian connections, an appropriate design in terms of height, façade articulation, and variation in material and color, and by providing a use in an appropriate location that is also experiencing high demand within the North Natomas area and which will support existing and future businesses in the Natomas area.

**Financial Considerations:** The City will collect Transit Occupancy Tax (TOT) from this project.

**Local Business Enterprise (LBE):** No goods or services are being purchased under this report.