



Agenda Item No: 2.a

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: December 2, 2025

Submitted by: Andrew Gonzales

From: Development Services

Subject:

CONSIDERATION OF RESOLUTION NO. R-2025-71, APPROVING DEVELOPMENT PLAN REVIEW NO. DPR 2025-01 AND USE PERMIT NO. UP 2025-02; CONSIDERATION OF RESOLUTION NO. R-2025-74, APPROVING A PURCHASE AND SALE AGREEMENT FOR A PORTION OF CITY PROPERTY; AND, CONSIDERATION OF ORDINANCE NO. O-2025-12, APPROVING DISPOSITION AND DEVELOPMENT AGREEMENT NO. DDA 2025-01 FOR THE DEVELOPMENT OF A FOUR-STORY, 86-ROOM HOTEL AT 450 S. PLACENTIA AVENUE.

Financial Impact:

Fiscal Impact:

Revenue: \$179,519.14 Development Impact Fees

\$127,444.00 Property Sale

\$378,304.97 Annual Estimated Transit Occupancy Tax

Summary:

At the Planning Commission meeting held on November 10, 2025, the Commission voted 3-2-1 (Ayes: 3; Noes: 2; Absent: 1) regarding Resolution No. PC-2025-13, to recommend approval of DPR 2025-01, UP 2025-02, and DDA 2025-01, and to recommend adoption of a Notice of Exemption by making the findings that the project is categorically exempt pursuant to the California Environmental Quality Act (CEQA), as set forth in Title 14 CCR § 15332 (Class 32 – Infill Development Projects), and the City of Placentia Environmental Guidelines. The applications for a Development Plan Review, Use Permit, and Disposition and Development Agreement (DDA) were submitted to allow the development, establishment, and operation of an approximately 42,631-square-foot, four-story, 86-room hotel building with an overall height of approximately 63 feet. The project includes a 24,210-square-foot subterranean and grade-level parking garage with 82 spaces; enhanced landscaping and hardscape improvements; and hotel operations that include the onsite sale and consumption of alcoholic beverages exclusively for registered hotel guests. The development will also feature decorative hardscape and landscape improvements, an outdoor pool area, and associated hotel guest amenities, including the onsite sale and consumption of sealed beer and wine exclusively for hotel guests. The DDA is intended to authorize the sale and transfer of a City-owned parcel to C Y Hospitality, LLC, and to establish the associated terms, conditions, and property owner obligations for the proposed development.

Recommendation:

Recommended Action: It is recommended that the City Council:

1. Open Public Hearing, concerning Development Plan Review No. DPR 2025-01, Use Permit No. UP 2025-02, and Disposition and Development Agreement No. DDA 2025-01; and,
2. Receive the Staff Report, consider all public testimony, ask any questions of Staff; and,
3. Close the Public Hearing; and,
4. Adopt Resolution No. R-2025-71, a Resolution of the City Council of the City of Placentia, California, adopting a Notice of Exemption by making the findings that the project is Categorically Exempt pursuant to the California Environmental Quality Act (CEQA) set forth in Title 14 CCR § 15332 (Class 32 – Infill Development Projects) and the City of Placentia Environmental Guidelines, and approval of Development Plan Review No. DPR 2025-01 and Use Permit No. UP 2025-02 to permit the development of an approximately 42,631-square-foot, four-story, 86-room hotel building with an overall height of approximately 63 feet, including a 24,210-square-foot subterranean and grade level parking garage with 82 spaces, enhanced landscaping and hardscape improvements; to allow the establishment and operation of a hotel including the onsite sale and consumption of alcoholic beverages exclusively for registered hotel guests within the C-2 (H-65) Zoning District located at 450 S. Placentia Avenue (APN 339-442-04); and,
5. Adopt Resolution No. R-2025-74, a Resolution of the City Council of the City of Placentia, California, approving a Purchase and Sale Agreement for a portion of City property located at the end of the cul-de-sac fronting 450 S. Placentia Avenue and finding the action to be Categorically Exempt under State California Environmental Quality Act (CEQA) Guidelines Section 15332 Infill Development; and,
6. Waive full reading, by title only, and introduce for first reading Ordinance No. O-2025-12, an Ordinance of the City Council of the City of Placentia, California, approving Disposition and Development Agreement No. DDA 2025-01 with CY Hospitality, LLC, to provide relief from certain development standards related to the development of a four-story, 86-room hotel within the C-2 (H-65) Zoning District located at 450 S. Placentia Avenue, Placentia, California (APN 339-442-04).

Strategic Plan Statement:

This item is consistent with the City Council approved Five Year Strategic Goal 3: Promote community and economic development, specifically, Objective Number 3.3: Continue to recruit and attract retail, hotel and other commercial businesses that complement adjacent City assets and attractions (Anaheim Resort District, Cal State Fullerton, OC Vibe and Angel Stadium Projects).

Discussion:

REQUEST:

The applicant, C Y Hospitality, LLC, requests approval of a Development Plan Review (DPR 2025-01), Use Permit (UP 2025-02), and Disposition and Development Agreement (DDA 2025-01), including a General Plan Conformity finding, to allow the development of a four-story, 86-room Tru by Hilton hotel on a 0.49-acre site at 450 S. Placentia Avenue. The project features a 24,210-square-foot subterranean and grade-level parking garage containing 82 spaces, enhanced landscaping and hardscape improvements, and associated hotel amenities including a second-floor deck and the onsite sale and consumption of alcoholic beverages for registered hotel guests. The DDA authorizes the transfer of approximately 6,358 square feet of City-owned remnant public right-of-way (PROW) and provides targeted relief from specific C-2 (H-65) development standards to support functional site design and coordinated hotel

operations.

PROJECT BACKGROUND

The project site is located within a highly urbanized and developed area of the City, surrounded by existing residential, commercial, and industrial land uses. On September 12, 2017, the City of Placentia City Council approved General Plan Amendment No. GPA 2017-03 to change the General Plan Land Use designation from Industrial to Commercial and Zone Change No. ZC 2017-03 from Commercial Manufacturing (C-M) and Manufacturing (M) to Community Commercial (C-2) zoning classification for eight parcels encompassing a total area of approximately 7.3 acres located at the northeast corner of South Placentia Avenue and West Crowther Avenue. Additionally, the City proposed Zoning Code Amendment No. ZCA 2017-04 for the establishment of a Height Overlay for the project site that increased the C-2 height limitation of 35 feet to 65 feet in an effort to attract potential hotel operators. Mitigated Negative Declaration No. MND 2017-03 evaluated potential environmental impacts associated with the aforementioned GPA, ZC, and ZCA in 2017.

During the construction of the Placentia Avenue Grade Separation Project, which lowered South Placentia Avenue beneath the BNSF railway tracks, a remnant portion of the former Public Right-of-Way (PROW) was created adjacent to the subject property. Although the area visually appears to be part of the project site, it remains a separate City-owned portion of PROW and is not legally joined with the applicant's property. The remnant PROW has no current or foreseeable public use. As such, the City is amenable to conveying this surplus PROW to C Y Hospitality, LLC via Resolution No. R-2025-74, and its Exhibit A: the Purchase and Sale Agreement. Ordinance No. O-2026-01, and its Exhibit A: DDA 2025-01 will facilitate the development of the proposed hotel project and to ensure appropriate site consolidation and functional design. In addition, the disposition of a portion of Industrial Way is proposed to maximize buildable area and support a more economically feasible project, consistent with the City's goals for revitalization and efficient land use along the S. Placentia Avenue corridor.

PROJECT DESCRIPTION

Existing Condition

The privately owned project site consists of an approximately 15,160-square-foot vacant and unimproved parcel located at 450 S. Placentia Avenue. The site is bordered by the BNSF Railway corridor to the north and by commercial/light industrial uses to the south and east. A 20-foot-wide BNSF access easement runs along the eastern boundary and must remain unobstructed for railway maintenance and operational access.

Adjacent to the site is an additional 6,358 square feet of City-owned public right-of-way (PROW), consisting of: a remnant portion of South Placentia Avenue created during prior roadway improvements; and a segment of Industrial Way, which is not related to the grade separation project but is proposed for disposition under DDA 2025-01 to enhance site functionality and support the economic feasibility of the hotel project. Although these areas visually appear to function as part of the project site, they remain legally separate and under City ownership. Should the City Council approve DDA 2025-01, the remnant right-of-way would be conveyed to the applicant and merged with the private parcel, resulting in a combined development area of approximately 21,518 square feet.

Site Design

The hotel is centrally located on the parcel with access provided from Industrial Way. An 82-space subterranean and grade-level parking structure supports hotel operations, utilizing

standard, compact, and valet-assisted tandem spaces as authorized under the DDA. Pedestrian pathways provide direct ADA-compliant access from the public sidewalk to the hotel entrance. The Fire & Life Safety Department has approved Alternative Means and Methods (AM&M) confirming that the site design meets emergency access requirements. Landscaping and decorative hardscape will frame the hotel frontage and enhance corridor aesthetics.

Floor Plan

The building is organized vertically with structured parking at the lower levels, lobby and back-of-house facilities on the first floor, guest amenities (dining, fitness, lounge, collaborative spaces) on the second floor, guest rooms on the third and fourth floors, and a rooftop deck offering additional guest amenities. Detailed architectural drawings and floor plans are included in the attached Planning Commission Staff Report.

Architecture, Materials, and Color Palette

The proposed Tru by Hilton hotel features a contemporary geometric design with clean horizontal and vertical lines, incorporating façade projections and recesses that break up building mass and create visual interest. The exterior includes smooth and sand-float stucco in white, gray, and neutral tones, complemented by brand accent colors in blue and yellow. Metal trim and fiber-cement panels provide additional articulation. Window placements, parapet variations, and vertical elements further define the building's form. Overall, the design presents a modern, visually appealing appearance that is compatible with surrounding commercial and industrial uses and enhances the architectural character of the South Placentia Avenue corridor.

Applicable Code Section – Placentia Municipal Code

The project site is zoned C-2 (Community Commercial) with an H-65 Height Overlay, under which new commercial construction requires a DPR and hotel uses require a UP. The DDA is processed pursuant to Government Code § 65867 and governs the transfer of City-owned property, the consolidation of the project site, and limited deviations to setback, lot size, and parking configuration standards. These deviations support coordinated site design and are consistent with the corridor's development context.

Subject Site and Surrounding Land Uses

The project site is an approximately 15,160-square-foot vacant parcel located at 450 S. Placentia Avenue at the terminus of Industrial Way, adjacent to a 20-foot BNSF access easement and bordered by the rail corridor to the north. The surrounding area consists of a mix of commercial, hospitality, and light-industrial uses, including the SpringHill Suites hotel to the north, contractor yards and service-commercial businesses to the south and east, and a neighborhood-serving commercial center across South Placentia Avenue. This corridor has experienced ongoing reinvestment and transitions away from former industrial operations, making the site suitable for lodging uses that complement existing businesses and support continued economic activity along South Placentia Avenue.

ZONING COMPLIANCE ANALYSIS

Site Development Standards

The project substantially complies with applicable C-2 (H-65) development standards. The DDA authorizes limited deviations related to setback requirements, lot area, and tandem parking for valet operations. The proposed building height of approximately 63 feet complies with the maximum permitted height. A complete compliance matrix is included in the Planning

Commission Staff Report.

Other Departments Concerns and Requirements

The Divisions of Planning and Building and the Departments of Public Works, Police, and Fire and Life Safety have reviewed the application and supporting documentation related to the proposed Tru by Hilton hotel project. Each reviewing department provided comments during the course of project evaluation, and no major concerns were identified that would preclude approval of the development as proposed. The Fire and Life Safety Department, in conjunction with the City's Traffic Engineer, reviewed the project from a mobility and emergency access standpoint and approved Alternative Means and Methods for the adjacent right-of-way, confirming that fire apparatus access and circulation requirements are satisfied. All applicable Placentia Municipal Code provisions and interdepartmental recommendations have been incorporated as Conditions of Approval within the draft Planning Commission Resolution, prepared for consideration and recommendation to the City Council.

ISSUES ANALYSIS:

Consistency with the General Plan

The General Plan features policies that promote the reinvestment of underutilized properties while being sensitive to the suburban atmosphere and requires new developments to provide adequate improvements and pay impact fees to offset the demand costs on city services and facilities. The proposed development is consistent with the following Land Use and Economic Development policies of the General Plan at a minimum:

Land Use

Policy 2.4 – Large, contiguous vacant or underutilized parcels should be comprehensively planned for development to minimize effects on the City suburban atmosphere.

Policy 3.1 – Encourage opportunities for redevelopment and improvements in the Old Town area, the TOD district, industrial areas, neighborhoods in the southern sector of the City, and commercial centers along major roadway corridors.

Policy 3.3 – Provide incentives to encourage lot consolidation and parcel assemblage to provide expanded opportunities for coordinated development.

Policy 10.2 - In creating the aforementioned corridor plans, the City shall take into consideration the nearby Cal State University Fullerton campus community and capitalize on its proximity.

Economic Development

Policy 2.1 – Attract general fund revenue-producing business into Placentia when space becomes available. Continue to work with developers to not only bring in enhanced shopping, dining and entertainment opportunities, but also to create aesthetically pleasing developments that bring new jobs to the City.

Policy 4.2 – Focus economic development efforts for growth and new businesses in heavily traveled areas, such as along major transportation corridors.

Policy 7.2 – Increase job opportunities by attracting new businesses to the City.

The proposed project is consistent with the intent of the City's Land Use and Economic

Development Policies by facilitating the comprehensive development of an underutilized property within a major corridor. The project supports Land Use Policy 2.4 by transforming a large vacant parcel through a coordinated development that complements the surrounding suburban environment. It further aligns with Policies 3.1 and 3.3 by contributing to the ongoing revitalization of the City's key commercial corridors and encouraging parcel assemblage to promote cohesive site planning and efficient land utilization. In addition, the project's proximity to Cal State University Fullerton fulfills Policy 10.2 by leveraging nearby educational resources to enhance activity and investment within the corridor.

From an economic standpoint, the proposed development supports Economic Development Policies 2.1, 4.2, and 7.2 by attracting a revenue-producing business that enhances the City's commercial base, creates new employment opportunities, and contributes to the ongoing improvement of a highly visible transportation corridor. Collectively, the project will activate a previously underutilized site, stimulate local economic growth, and enhance the City's visual and fiscal landscape. In doing so, it advances the broader goals of the General Plan by ensuring compatible, high-quality development that benefits both the surrounding neighborhood and the community at large.

Land Use Compatibility

The proposed Tru by Hilton hotel will be compatible with the surrounding area as the development will revitalize an underutilized and vacant property with a 42,631-square-foot, four-story, 86-room hotel on a 21,553-square-foot (0.49-acre) site. The project represents a high-quality infill development within an established commercial and industrial corridor that has historically been underdeveloped due to prior right-of-way constraints associated with the South Placentia Avenue Grade Separation Project. The hotel will cater to the growing market demand for modern, mid-scale lodging accommodations that are centrally located and easily accessible to regional destinations and employment centers.

The project will provide a compatible transition between adjacent commercial and industrial uses, while contributing to the revitalization objectives for the South Placentia Avenue corridor. Its contemporary architectural design, enhanced streetscape, and functional site layout will improve the visual and economic character of the area. Based upon the proposed use, building placement, and integration with adjacent public right-of-way improvements, the project is not anticipated to result in any adverse impacts to surrounding properties and is expected to enhance corridor vitality and economic activity consistent with the City's General Plan and long-term development goals.

HOUSING, COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE

On Wednesday, July 23, 2025, the City Council Housing, Community, and Economic Development (HCED) Committee convened to review the proposed Tru by Hilton hotel development located at 450 South Placentia Avenue. City staff provided an in-depth presentation outlining the project's key components, including the Disposition and Development Agreement (DDA 2025-01), overall site design, vehicular circulation, and architectural features. Staff also discussed the project's relationship to surrounding land uses, the intended conveyance of surplus City-owned PROW, and the requested deviations pertaining to parking configuration and setbacks.

The applicant, C Y Hospitality, LLC, addressed the Committee to describe the project's design intent, hotel brand standards, and operational approach, emphasizing how the project would serve as a modern, mid-scale lodging option that enhances the South Placentia Avenue

corridor. The Committee engaged in a detailed discussion regarding site access, parking management through valet operations, and consistency with the City's broader economic-development objectives.

After reviewing the architectural plans, site circulation layout, and landscape design, the HCED expressed overall support for the project, noting that the proposal represents an appropriate and compatible reuse of a long-vacant infill site. HCED agreed that the project's design and circulation plan are functional, visually appealing, and consistent with the City's goals for corridor revitalization. As a result, HCED conveyed its favorable recommendation to the Planning Commission for consideration of the project entitlements, including the Development Plan Review, Use Permit, and Disposition and Development Agreement.

PLANNING COMMISSION

On November 10, 2025, the City of Placentia Planning Commission held a duly noticed public hearing to consider the proposed Tru by Hilton hotel project and associated entitlements, including: (a) a recommendation to the City Council to adopt a Notice of Exemption pursuant to CEQA Guidelines § 15332 (Class 32 – Infill Development Projects), and (b) a recommendation for approval of DPR 2025-01, UP 2025-02, and DDA 2025-01. The Planning Commission also made findings that the City's disposition of public right-of-way is consistent with the General Plan pursuant to the requirements of California Government Code § 65402.

During the public hearing, staff presented the project's key components, including the proposed site design, circulation and access, architectural features, and the disposition of City-owned remnant right-of-way through the DDA. Public testimony included comments from an adjacent property owner expressing concerns regarding construction staging, parking, and right-of-way disposition. The applicant expressed support for the project and staff's recommendations.

Following deliberation, the Planning Commission voted 3-2-1 to recommend approval of the requested entitlements including the DDA, and recommended adoption of a CEQA Exemption. Subsequent to the Planning Commission hearing, the staff and Planning Commission recommendations related to this development are forwarded to the City Council for final consideration.

CEQA

Staff and the Planning Commission recommend that this project is exempt from the California Environmental Quality Act (CEQA) because it can be seen with certainty that there is no possibility that this project may have a significant adverse effect on the environment. The proposed development of a four-story, 86-room hotel on an infill site within an urbanized area is consistent with the City's General Plan and Zoning designations. Therefore, the approval of this project is exempt from the requirements of CEQA pursuant to Section 15332 (Class 32 – Infill Development Projects) of the CEQA Guidelines.

PUBLIC NOTIFICATION

Legal notice was published in the Placentia News-Times on November 20, 2025. Notices were sent to property owners of record within a 300-foot radius of the subject property, posted at the Civic Center, and on the City website on November 20, 2025. As of November 24, 2025, staff has not received correspondence related to the latest mailing/posting or publication. Subsequent to distributing legal notices prior to the Planning Commission meeting, Staff received correspondence from an adjacent neighbor expressing concern regarding

construction staging activities, parking impacts associated with the hotel's operation, and the proposed disposition of public right-of-way, including how these factors may affect their property and the type of development being proposed. As of the release of this agenda report, City staff is continuing to correspond with the adjacent property owner and their legal counsel to address these concerns.

CONCLUSION

The proposed project aligns with the City's General Plan and the Placentia Municipal Code (PMC), meeting the City's vision for sustainable growth, economic revitalization, and urban enhancement. The General Plan serves as a blueprint for balanced development, ensuring a harmonious integration of residential, commercial, and public spaces while promoting infrastructure efficiency, environmental sustainability, and community well-being. The HCED support of the project affirms its compatibility with adjacent land uses, supporting the revitalization of an underutilized site and fostering a more dynamic and connected urban environment. The proposed hotel development will expand lodging opportunities within the City, attract tourism-related spending, and strengthen the local economy by supporting nearby businesses and creating new employment opportunities. Planned site and streetscape improvements, including pedestrian-friendly enhancements and a contemporary architectural design, will contribute positively to the visual character and long-term vitality of the surrounding area. By adhering to the development framework set forth in the General Plan and Placentia Municipal Code, the project promotes economic sustainability, and enhances the City's hospitality offerings as part of its continued revitalization efforts consistent with the General Plan.

RECOMMENDATION

Staff recommends that the City Council adopt a Notice of Exemption by making the findings that the project is categorically exempt pursuant to the California Environmental Quality Act (CEQA) set forth in Title 14 CCR § 15332 (Class 32 – Infill Development Projects) and the City of Placentia Environmental Guidelines; and staff recommends approval of DPR 2025-01 and UP 2025-02, and the purchase and sale agreement and approval of DDA 2025-01 with C Y Hospitality, LLC.

Fiscal Impact Summary:

The proposed development will generate one-time revenue in the form of approximately \$179,519.14 in development impact fees and \$127,444.00 from the sale of City-owned property under DDA 2025-01. Ongoing revenue will be produced through the City's ten (10) percent Transient Occupancy Tax (TOT). Based on the applicant's projections for occupancy and average daily room rates, the proposed hotel is anticipated to generate approximately \$378,304.97 in annual TOT revenue. In addition to these revenues, the project is expected to create permanent hospitality jobs and temporary construction-related employment, resulting in additional positive economic benefits to the City.

Attachments

- 1.[R-2025-71 DPR UP.docx](#)
- 2.[R-2025-74 approving purchase and sale agreement.docx](#)
- 2.a.[R-2025-74 Ex. A purchase and sale agreement.docx](#)
- 3.[O-2025-12 Development Agreement.docx](#)
4. [CE Justification Memo & Studies.pdf](#)
5. [PC Staff Report Tru Hilton.pdf](#)
6. [Project Plans - Tru Hotel.pdf](#)

7. Colors Materials Board.pdf
8. Vicinity Map.pdf
9. Site Pictures.pdf