



Agenda Item No: 1.d

PLACENTIA CITY COUNCIL AGENDA REPORT

Meeting Date: December 16, 2025

Submitted by: Andrew Gonzales

From: Development Services

Subject:

SECOND READING AND ADOPTION OF 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 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:

On December 2, 2025, City Council conducted a Public Hearing to consider Development Plan Review (DPR) 2025-01, Use Permit (UP) 2025-02, and Disposition and Development Agreement (DDA) 2025-01 for the development of an approximately 42,631-square-foot, four-story, 86-room hotel building with a 24,210-square-foot subterranean and grade-level parking garage, enhanced landscaping and hardscape improvements, an outdoor pool area, associated guest amenities, and onsite sale and consumption of sealed beer and wine exclusively for registered 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 terms, conditions, and property owner obligations associated with the proposed development.

Subsequent to closing the Public Hearing, City Council adopted 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), as set forth in Title 14 CCR § 15332 (Class 32 – Infill Development Projects) and the City of Placentia Environmental Guidelines; and approving DPR 2025-01 and UP 2025-02 to allow the establishment and operation of the previously described hotel within the C-2 (H-65) Zoning District located at 450 S. Placentia Avenue (APN 339-442-04). Additionally, City Council adopted 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-owned property located at the end of the cul-de-sac fronting 450 S. Placentia Avenue and finding the action to be Categorically Exempt under CEQA Guidelines Section 15332 (Infill Development).

Additionally, City Council conducted first reading of Ordinance No. O-2025-12, an Ordinance of the City Council of the City of Placentia, California, approving DDA 2025-01 with C Y 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). Ordinance No. O-2025-12 has been prepared for Second Reading and adoption.

Recommendation:

Recommended Action: It is recommended that the City Council:

Waive full reading, by title only, and adopt 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 No. 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:

On December 2, 2025, City Council conducted a Public Hearing to consider the DPR, UP, and DDA, along with a General Plan Conformity finding. The project authorizes construction of a four-story, 86-room hotel at 450 S. Placentia Avenue with a 24,210-square-foot subterranean and grade-level parking structure containing 82 spaces, landscaping and hardscape improvements, a second-floor amenity deck, and onsite sale and consumption of alcoholic beverages for registered hotel guests. The DDA provides for the transfer of approximately 6,358 square feet of surplus City-owned right-of-way and allows limited deviations from certain C-2 (H-65) development standards to support coordinated site design and hotel operations.

The project site consists of a vacant parcel located at the terminus of Industrial Way within a commercial and light-industrial corridor. A remnant portion of City-owned right-of-way created during prior roadway improvements will be merged with the private parcel to form a functional development site. The hotel design includes a centrally located building footprint, subterranean/grade-level parking, and contemporary architectural features consistent with surrounding commercial uses. The Fire & Life Safety Department approved required Alternative Means and Methods, and interdepartmental review produced no outstanding issues.

The project is consistent with the City's General Plan policies that encourage reinvestment, corridor revitalization, and the development of underutilized infill sites. The hotel complements adjacent commercial and hospitality uses, enhances the appearance and economic vitality of the South Placentia Avenue corridor, and supports local economic-development objectives through new lodging accommodations and associated revenues.

The Housing, Community and Economic Development (HCED) Committee reviewed the project on July 23, 2025, and expressed overall support. On November 10, 2025, the Planning Commission held a duly noticed public hearing and recommend approval of the project

entitlements and adoption of a CEQA Class 32 Infill Exemption. City Council subsequently approved the project actions as recommended.

CEQA

The proposed Development Plan Review, Use Permit, and Disposition and Development Agreement were reviewed by City staff in accordance with CEQA. Based on this review, Staff and the Planning Commission recommended that the City Council find the project to be Categorically Exempt under State CEQA Guidelines Section 15332 (Class 32 – Infill Development Projects). The proposed hotel represents a limited-scale infill development on a previously disturbed site located within an urbanized area of the City, is consistent with the adopted General Plan and zoning, contains no habitat value for endangered or threatened species, and can be adequately served by existing utilities and public services. Accordingly, the project qualifies for a Class 32 exemption and will not result in significant environmental impacts.

On December 2, 2025, City Council adopted Resolution No. R-2025-71, finding that DPR 2025-01, UP 2025-02, and associated project actions are exempt under CEQA Guidelines Section 15332. City Council also adopted 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-owned property located at the end of the cul-de-sac fronting 450 S. Placentia Avenue and finding the action to be Categorically Exempt under CEQA Guidelines Section 15332 (Infill Development). By adopting these resolutions, City Council further determined that first reading and adoption of Ordinance No. O-2025-12, is likewise exempt under CEQA Guidelines Section 15332. A Notice of Exemption will be filed following final adoption of Ordinance No. O-2025-1

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 HCD 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.

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.O-2025-12 Development Agreement.docx](#)