



STAFF REPORT

CONDITIONAL USE PERMIT NO. 25-02

TO: Planning Commission

FROM: Economic Development and Planning

DATE: April 16, 2025

CASE NO.: Conditional Use Permit (CUP) No. 25-02
(CEQA Exemption Section 15301 - Class 1, Existing Facilities)

APPLICANT REQUEST:

A CUP is requested to allow a hotel use in the City's Unlimited Commercial ("C-2") zoning district. Pursuant to Chapter 19.09, Table 19.09.010A of the Commerce Municipal Code (CMC), a hotel use requires the review and approval of a CUP upon the required findings of CMC 19.39.420.

LOCATION: APN's: 6336-019-031, -033, -034 and -035
500 Citadel Drive
Commerce, CA 90040

APPLICANT: Scott Van Bortel
4100 MacArthur Blvd. Suite 100
Newport Beach, CA 92660

STAFF RECOMMENDATION: Planning Commission of the City of Commerce ("Planning Commission" or "PC") approve CUP No. 25-02 with the specific findings, conditions of approval, and adopt an exemption from the California Environmental Quality Act (CEQA) finding that the proposed project complies with Administrative Code, Title 14, Chapter 3, §15301, Class 1, Existing Facilities.

PUBLIC HEARING NOTICE:

The public hearing notice was published in the Los Cerritos News on April 4, 2025, and mailed to property owners within 500 feet of the project site.

ATTACHMENTS: A) Specific Findings for Conditional Use Permit
B) Conditions of Approval
C) Architectural Plans
D) Resolution PC No. 25-03

LAND USE, ZONING AND APPLICABLE REGULATIONS:

Project Site - Land Use & Applicable Regulations	
General Plan Designation:	Commercial
Zoning:	C-2 (Unlimited Commercial)
Applicable Zoning Regulations:	CMC Chapter 19.09, Commercial Zone; CMC Chapter 19.21 Off-Street Parking and Loading; CMC Chapter 19.31 Division 16 – Motels and Hotels; CMC Chapter 19.39 Administration of the Zoning Ordinance.

SURROUNDING ZONING AND LAND USES:

Direction	Zoning	Land Use
North	M-2	Industrial
South	I-5 Freeway/R-1	I-5 Freeway / Single Family Residential
East	C-2	Commercial
West	M-2	Industrial

ENVIRONMENTAL ASSESSMENT:

This project has been determined to be exempt from the environmental review under the guidelines of the California Environmental Quality Act (Public Resources Code §21080(b)(9)); Administrative Code, Title 14, Chapter 3 §15301, Class 1, Existing Facilities. Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use. The types of “existing facilities” itemized below are not intended to be all-inclusive of the types of projects which might fall within Class 1. The key consideration is whether the project involves negligible or no expansion of use. Examples include but are not limited to: (a) Interior or exterior alterations involving such things as interior partitions, plumbing, and electrical conveyances; and (b) Additions to existing structures provided that the addition will not result in an increase of more than 50 percent of the floor area of the structures before the addition, or 2,500 square feet, whichever is less.

In this case, the Project is to convert an existing four-story office building into a hotel with a proposed addition of 1,803 square feet. The addition will extend the proposed lobby to align with the outer wall of the existing building and continue to the other floors.

DESCRIPTION OF PROPERTY:

The proposed hotel will be situated within the existing Citadel Outlets property. The existing site consists of an open-air shopping center with surface parking, two parking structures, two office buildings, and an existing hotel (Double Tree). The subject property has a land area of approximately 35,543 acres (outlined in yellow), and it's in the City's C-2 zoning district. The project location on the property is shown in the image below, outlined in red:



ANALYSIS:

The applicant is requesting a CUP to allow a “hotel” within the City’s C-2 zoning district. Under the CMC, Chapter 19.09 (Commercial Zone), Table 19.09.010A, Permitted Uses-Commercial Zone, a “hotel” requires the consideration of a CUP within the zoning district.

Conditional Use Permit

A CUP allows a city to ensure that hotels do not result in adverse impacts on adjacent properties and residents or on surrounding neighborhoods. The purpose

of the CUP process is to analyze uses that, due to their operating characteristics, may have the potential to impact surrounding properties. The project site is an area where there are different types of uses, including commercial and industrial. The proposed hotel is similar to and compatible with other uses in the immediate vicinity, as well as the City's vision for the area. The CUP process also allows staff to tailor conditions of approval to ensure the land use will not negatively impact the general vicinity of such use.

Project Description

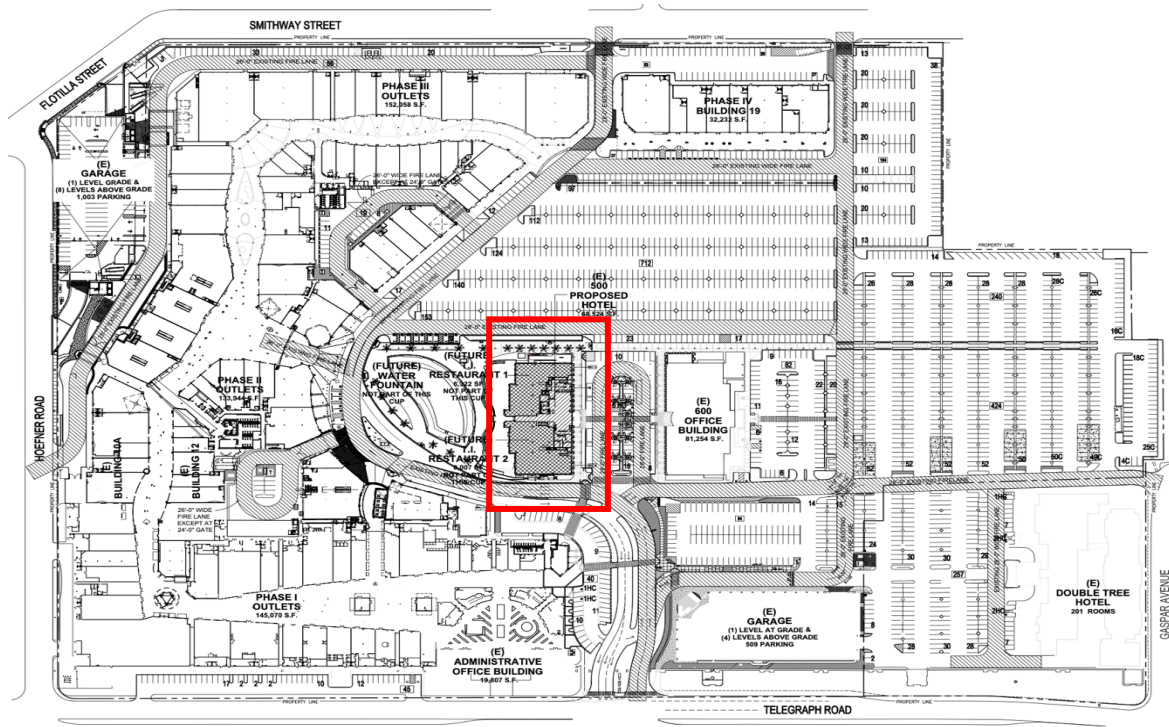
The project is located within the existing Citadel Outlets property. The project will involve the conversion of an existing four-story office building into a hotel. The existing building has a square footage of 81,050. The entire four-story building will involve renovation, which will include a building addition of 1,803 square feet. The addition will take place on the east side of the building, where the proposed hotel entrance will be located. The addition will extend the hotel lobby, which consists of extending an existing inner wall to align with the outer wall of the existing building and continue to the other floors, and a new canopy over the new lobby entry. The building with the addition will have a square footage of 82,853.

The hotel will have a total area of 68,524 square feet. This includes a portion of the ground floor that will be renovated to serve as the hotel lobby, featuring a small kitchen for preparing hot meals for breakfast and lunch. Additionally, there will be a breakfast seating area, staff offices, and two separate future tenant spaces measuring 6,322 square feet and 8,007 square feet, which are not included in this CUP. The second, third, and fourth floors will be converted into 132 hotel rooms, along with guest laundry facilities and necessary storage rooms for housekeeping.

The hotel will have 132 guest rooms with surface parking shared with the Citadel Outlets. The hotel will cater to visitors and tourists seeking a location close to shopping and dining options that are readily available at the Citadel Outlets.

The hotel will employ between 16 and 24 employees depending on the time of day. There will be occasional delivery of hotel supplies by small supply trucks and delivery vehicles or vans.

The site plan below identifies the location of the proposed hotel (an existing building) outlined in red and provides an overview of the entire Citadel Outlets property.



Development Standards, Parking and Maneuvering

The proposed 68,524-square-foot four-story hotel will comply with all the City's development standards. The hotel will be situated within an existing four-story office building. As a result, the setbacks and building height will stay the same, while both the lot coverage and floor area ratio will remain below the allowable percentage and will continue to comply with the zoning code.

As part of its review, staff must determine that the use will conform to the permissible parking requirements identified in Chapter 19.21 (Off-Street Parking and Loading) of the Zoning Ordinance. The purpose of the parking requirements is to ensure all land uses in the City provide adequate off-street parking facilities, loading areas, and vehicle movement areas associated with the use. These regulations intend to ensure that the use of land does not interfere adversely with the circulation of public rights-of-way, that private on-site circulation does not pose a potential safety issue, and that surrounding uses are protected from the noise and traffic impacts associated with off-street parking and loading activities.

The proposed hotel would measure approximately 68,524 square feet with 132 rooms. Under the Commerce Municipal Code, one parking space is required per guest room, plus other spaces as required for auxiliary uses. The square footage and parking breakdown for the hotel and the entire property are shown below in Table 2:

Table 2

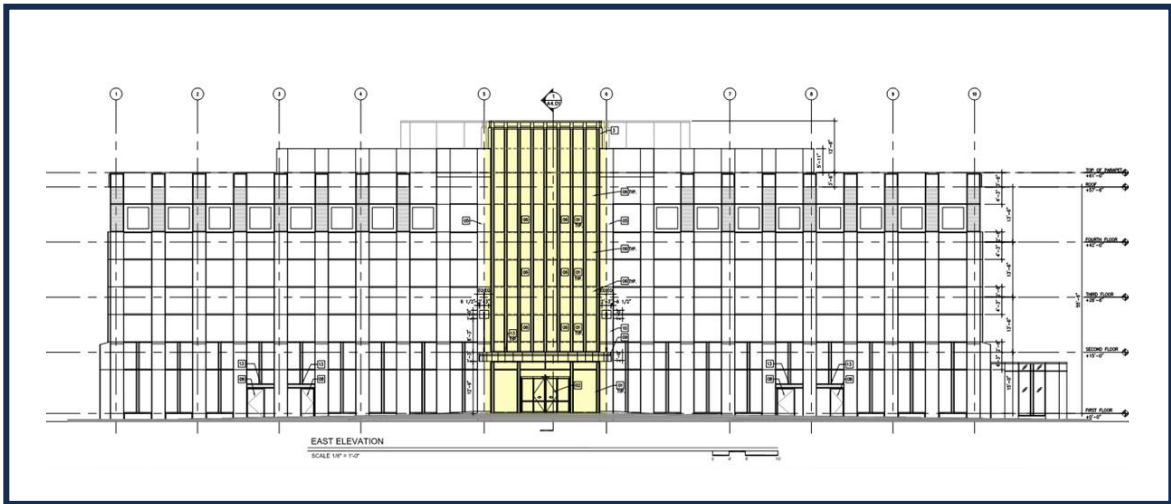
SUMMARY COMPLETED CONDITIONS				
TABLE 13 MUNICIPAL CODE PARKING ANALYSIS				
Land Use	Size (sf) / Employees		Required Spaces	
Retail Shopping Center ¹	463,304	sf	1,853	
Retail Shopping Center ¹	495	employees	248	
500 Hotel ³	68,524	sf	132	
Tenant 1 ⁵ not part of CUP	6,322	sf	32	
Tenant 2 ⁵ not part of CUP	8,007	sf	40	
500 Hotel - Lobby/Reception/office area	4,079	sf	14	
Food Prep/Breakfast & eating area.	2,305	sf	12	
600 Office Building ²	81,254	sf	271	
Admin Office Building ²	19,807	sf	67	
Double Hotel ⁴	201	sf	240	
Total Required Spaces			2,877	
Provided Spaces			3,813	
Surplus			936	
Notes:				
¹ Based on retail rated of 1 space/250 sf				
² Based on office rate of 1 space/300 sf				
³ Based on Hotel rated of 1 space per guest room				
⁴ Based on agreement between Citadel and Hotel				
⁵ Based on assembly rate of 1 spaces/200 sf				

As shown above, when calculating the required parking for the new hotel and the existing structures including outlet stores, office building #600, Double Tree Hotel, and the two future tenants on the ground floor of the new hotel, there will be a surplus of 936 parking spaces beyond the minimum number of parking spaces required by the CMC.

Design and Compatibility

Chapter 19.19 (Site planning and general development standards) of the CMC includes general development standards and design guidelines. The purpose of these standards is to protect and improve the environment and the appearance of the community, and to deter blighting and nuisance conditions. These guidelines address items such as, but not limited to, contextual design, landscaping, architectural treatments, and circulation. The proposed hotel will meet the City's site planning criteria and design guidelines outlined in the CMC.

The architectural design of the existing building will remain unchanged. However, the proposed addition on the east elevation will be designed to match the existing structure, featuring spandrel glass and aluminum mullions. Additionally, a new canopy will be installed above the hotel entrance. The east elevation with the new addition is shown below, highlighted in yellow:



General Plan and Zoning Ordinance

The Commerce General Plan and Zoning Ordinance establishes the permitted land uses and the corresponding development standards within the City. The project area is currently designated as Commercial in the Commerce General Plan and is within the C-2 zoning district. This zone was established to provide for a wide variety of commercial uses. The zone intends to concentrate these uses along major arterials and in other areas that provide easy access. Commercial uses that might create an offensive level of noise, air pollution, glare, radioactivity, or other nuisances are prohibited from this zone. The project site is an area that is home to different types of uses including commercial and industrial. The proposed hotel is similar to and compatible with other uses in the immediate vicinity, as well as the City's vision for the area. Therefore, the proposed hotel use is consistent with the General Plan and zoning district in which it is proposed to be located.

CONCLUSION:

The proposal to convert an existing office building into a hotel and construct a 1,803 square foot addition is consistent with the intent of the zoning code. Staff believes the necessary findings can be made to approve the requested Conditional Use Permit to allow the proposed hotel within the C-2 zoning district. The site is

surrounded by a mixture of commercial and industrial uses and will be operated in harmony with these uses. As such, the Commercial Land Use in this area of the City is consistent with other permissible activities within the C-2 zone.

Therefore, staff recommends that the Planning Commission approve Conditional Use Permit No. 25-02 with the Specific Findings in Attachment A and the Conditions of Approval in Attachment B.

Prepared by: Sonia Griego
Associate Planner

Reviewed by: Jessica Serrano
Director of Economic Development and Planning

Reviewed by: Araceli Almazan
City Attorney

ATTACHMENT A
SPECIFIC FINDINGS FOR CONDITIONAL USE PERMIT NO. 25-02

Commerce Municipal Code Section 19.39.420 requires that before granting a Conditional Use Permit, the Planning Commission make the following findings:

1. The proposed use is conditionally permitted within the subject zone and complies with the intent of all applicable provisions of this Title 19. ***The proposed hotel is conditionally permitted within the C-2 (Unlimited Commercial) Zone pursuant to the Commerce Municipal Code. The subject project will allow for the establishment of a use intended to provide a variety of goods and services necessary to meet the needs of the resident and business populations.***
2. The proposed use would not impair the integrity and character of the zone in which it is to be located. ***The proposed use is consistent with other uses in the immediate vicinity and throughout the C-2 zone. The project site is located within the Citadel Outlets property and will serve to further the City's vision for the area. The project site is currently occupied by outlet stores with surface parking, two parking structures, two office buildings, and an existing hotel (Double Tree) and the subject project will continue serving to enhance the aesthetics of the area. Therefore, the proposed use will not impair the integrity and character of the C-2 zoning district.***
3. The subject site is physically suitable for the type of land use being proposed. ***The subject project will meet the parking requirements and provide all required parking on-site. The proposed hotel is situated towards the middle of the subject property ensuring that adequate and ample parking areas will be available for the hotel use and will not negatively impact existing uses and surrounding adjacent uses. Therefore, the subject site is physically suitable for the proposed hotel.***
4. The proposed use is compatible with the land uses presently on the subject property. ***The project site is surrounded by other commercial and industrial uses. The use is conditionally permitted in the zone and will further enhance the City's vision for the area. The proposed use is compatible with adjacent uses and combined with other uses in the C-2 zone, will serve to help provide a variety of goods and services necessary to meet the needs of the resident and business populations.***
5. The proposed use would be compatible with existing and future land uses within the zone and the general area in which the proposed use is to be

located. ***The use is conditionally permitted in the zone and will serve to further enhance the City's vision for the area. The proposed use is compatible with existing uses and future land uses for the area in the C-2 zone.***

6. There would be adequate provisions for water, sanitation, and public utilities and services to ensure that the proposed use would not be detrimental to the public health and safety. ***The project site is in an urbanized area where similar uses exist. It will be located immediately adjacent to uses that have adequate provision for water, sanitation, and public utilities. Similar access to utilities will be provided to the project applicant and therefore adequate provisions are in place.***
7. There would be adequate provisions for public access to serve the subject proposal. ***Access to the site will be achieved through existing internal access driveways, with a connection to the public right-of-way from both Telegraph Road and Gasper Avenue. The entrances are adequate to serve the subject project. Therefore, adequate provisions for public access will be provided.***
8. The proposed use is consistent with the objectives, policies, general, uses, and programs of the Commerce General Plan. ***The proposed use is consistent with the objectives, policies, general land uses, and programs of the Commerce General Plan. The Commerce General Plan designates the project area as Commercial. This project is consistent with the General Plan in that it contributes to helping establish an orderly pattern of development and a wide range of commercial activities. The project will also continue to promote the improvement of existing commercial areas along Telegraph Road.***
9. The proposed use would not be detrimental to the public interest, health, safety, convenience, or welfare. ***The proposed use will be maintained safely and efficiently while providing services, by the imposed conditions. The conditions imposed will ensure that the public interest, health, safety, and convenience or welfare are served. Therefore, the proposed use would not be detrimental to the public interest, health, safety, convenience, or welfare.***
10. The proposed design and elevations preserve and maximize the image, character, and visual quality of the neighborhood. ***The proposed use will serve to enhance the character and visual quality of the area. The subject project is consistent with those existing uses in the area and the City's vision of continued promotion and improvement of existing commercial areas.***

ATTACHMENT B
CONDITIONS OF APPROVAL FOR CONDITIONAL USE PERMIT NO. 25-02

STAFF RECOMMENDATION:

1. A Conditional Use Permit (CUP) approval is valid and in effect and granted pursuant to the provisions of Title 19 of the Commerce Municipal Code and shall be valid only on the property for which it was granted and only for the improvements for which it is granted and further, shall continue to be valid upon change of ownership of the property or any lawfully existing building or structure on the property.
2. All conditions shall be binding upon the applicants, their successors, and assigns; shall run with the land; shall limit and control the issuance and validity of certificates of occupancy; and shall restrict and limit the construction, location, and use and maintenance of all land and structures within the development.
3. This CUP and all rights hereunder shall terminate within twelve months of the effective date of the permit unless operations are commenced or a written time extension is granted, based on a written request submitted prior to the expiration of the one-year period as provided in Section 19.39.460 of the Commerce Municipal Code.
4. The abandonment or non-use of this approval for a period of one year shall terminate the approval without further action of the Planning Commission or City Council, and any privileges granted thereunder shall become null and void.
5. In the event of a transfer of ownership of the property involved in this application, the new owner shall be fully informed of the use and development of said property as set forth by this permit together with all conditions, which are a part thereof.
6. All parking areas shall be clearly identified. The surface parking area must be striped to clearly indicate the location and extent of vehicle parking, maneuvering areas, and drive aisles.
7. Parking for all patrons must be provided on-site.
8. During construction, all roadways shall be kept open to traffic.
9. Equipment used for construction activities shall be properly tuned to reduce exhaust emissions.

10. Roads adjacent to the project site shall be swept as needed to reduce fugitive dust from the proposed project site.
11. The property shall be developed and maintained in a neat, quiet, and orderly condition and operated in a manner so as not to be detrimental to adjacent properties and occupants.
12. Contractors and subcontractors engaged in the construction activities of the project shall obtain a business license and all required permits from the City of Commerce.
13. The landscaping and irrigation plans shall be prepared by a landscape architect and submitted to the City for review and approval. All designated landscaping areas shall be fully planted prior to the issuance of the building permit final inspection and maintained at all times.
14. The project shall comply with the Low Impact Development (LID) Ordinance that the City of Commerce adopted to comply with requirements of the Clean Water Act and the MS4 Stormwater and Urban Runoff Permit.
15. The property shall be developed and maintained in a neat, quiet, and orderly condition and operated in a manner so as not to be detrimental to adjacent properties and occupants. In the event the City determines the owner has failed to comply with the standards listed herein, the City shall notify the owner in writing identifying the deficiencies, and allow the owner to cure the deficiencies listed in the notice, in a timely manner.
16. If the Director of Economic Development and Planning determines that a situation detrimental to public health, safety, and welfare has arisen due to the subject operation, the Director may require changes to the operation, additional studies to be undertaken, and the implementation of additional measures to protect the public's interest. In the event the City determines that the owner has failed to comply with the standards listed herein, the City shall notify the [owner] in writing identifying the deficiencies, and allow the owner to cure the deficiencies listed in the notice, in a timely manner.
17. The project will be required to comply with all programs adopted by the City for the reduction of solid waste.
18. The Director of Economic Development and Planning shall have the authority to initiate proceedings to suspend or revoke a Conditional Use Permit approval pursuant to provisions outlined in Sections 19.39.240 through 19.39.250, inclusive, of the Commerce Municipal Code, Chapter 19.39 if sufficient cause is given. In the event the City determines the owner has failed

to comply with the standards listed herein, the City shall notify the owner in writing identifying the deficiencies, and allow the owner to cure the deficiencies listed in the notice, in a timely manner.

19. The operation must comply with all pertinent South Coast Air Quality Management District (SCAQMD) regulations. The applicant and future tenants shall be required to obtain all pertinent operating permits from the SCAQMD. Proof of permits or proof of exemption shall be provided prior to the issuance of a building permit from the City of Commerce.
20. A City of Commerce Business License shall be obtained and renewed as required by the City of Commerce to reflect the proposed land use.
21. All required permits by all permitting agencies shall be obtained for the operation of said use and any construction associated with the subject request.
22. Construction activities shall be permitted between the hours of 7:00 a.m. to 6:00 p.m.
23. Storage of building materials related to construction activities shall be contained within the project site.
24. The project site shall be cleared of all debris prior to the issuance of a Building & Safety Division final inspection.
25. Southern California Edison (SCE) requires the following conditions for any SCE services:
 - a. The applicant is responsible for contacting SCE and arranging any electrical service at the appropriate stage of construction. The electrical design for the newly installed service shall be designed by SCE and approved by City of Commerce Building and Safety Division (CCBSD).
 - b. All on-site electrical service connections to the proposed improvements shall be designed using an underground (UG) design method. This avoids an overhead service connection.
 - c. All required SCE "equipment" needed to provide service to the proposed improvements (PME Switches, Transformers, and/or Capacitors) shall be installed in a "pad mounted" configuration sitting above the finished grade upon an approved SCE structure.

- d. All required SCE "Cables" needed to provide service to the proposed improvements shall be installed utilizing UG conduits or cable trenches as designed by SCE.
 - e. There shall be no newly installed overhead (OH) facilities across private property without approval from the CCBSD.
- 26. If applicable, the contractor under the observation of the soil engineer shall conduct all clearing, site preparation, or earthwork performed on the project.
- 27. If applicable, the soil engineer shall provide an inspection for site clearing and grading in order to certify that the grading was done in accordance with approved plans and grading specifications.
- 28. Soil binders shall be utilized on construction sites for unpaved roads and/or parking areas.
- 29. The project will be required to comply with all programs adopted by the City for the reduction of solid waste.
- 30. The project applicant shall install energy-efficient electrical appliances and equipment in accordance with the State of California's Energy Efficiency Standards (Title 24).
- 31. On-site management shall be available twenty-four hours a day, seven days a week.
- 32. Not less than weekly maid and housekeeping service shall be provided for each guest room. "Maid and housekeeping service" means basic cleaning, including but not limited to vacuuming, sweeping and/or mopping, dusting, and changing of bed linens and towels.
- 33. No hotel/motel room shall be rented more than once in a twenty-four-hour period.
- 34. All hotels/motels shall maintain daily records reflecting the names and permanent addresses of hotel/motel guests, as verified by valid driver's license or other valid identification along with the license number, state of license, make, model, and year of any guest's vehicle parked on-site or the corporate account information and guest names, the dates of occupancy, length of stay, and room rate. This registration information shall be maintained for at least one year past the last day of stay for each guest and shall be made available for review by any duly sworn peace officer of the City, state, or federal government or any authorized official of the City's code enforcement or Finance Department during normal business hours. Any

person who knowingly or intentionally misrepresents any material facts required in this subsection shall be deemed guilty of a misdemeanor.

35. The applicant is required to install artwork or pay an in-lieu fee subject to the City's Art in Public Places Ordinance. The cost of the artwork or in-lieu fee shall be equal to 1% of the project's valuation.
36. Violation of any of the conditions of the approval shall be cause for revocation and termination of all rights thereunder.
37. The Director of Economic Development and Planning or his/her designee is authorized to make minor modifications to the approved preliminary plans or any of the conditions if such modifications shall achieve substantially the same results as would strict compliance with said plans and conditions.
38. The applicant shall sign, notarize, and return to the Economic Development and Planning Department an affidavit accepting all Conditions of Approval within 10 days from the date of the approval, unless appealed. The Applicant acknowledges and understands that all conditions set forth in this Resolution are conditions precedent to the grant of approval and failure to comply with any condition contained herein shall render this Condition Use Permit non-binding as against the City and shall confer Applicant no legal rights under the law.
39. The applicant shall defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers, and employees from any claim, action, or proceeding brought against the city, its elected and appointed officials, agents, officers, or employees arising out of, or which are related to the applicant's project or application (collectively referred to as "proceedings"). The indemnification shall include, but not be limited to, damages, fees and/or costs, liabilities, and expenses incurred or awarded in connection with the proceedings whether incurred by the applicant, the city, and/or the parties initiating or bringing such proceedings. This indemnity provision shall include the applicant's obligation to indemnify the city for all the city's costs, fees, and damages that the city incurs in enforcing the indemnification provisions set forth herein. The city shall have the right to choose its own legal counsel to represent the city's interest in the proceedings.

**ATTACHMENT C
ARCHITECTURAL PLANS**

ATTACHMENT D
RESOLUTION NO. PC 25-03