

CITY OF RICHARDSON
CITY PLAN COMMISSION MINUTES – DECEMBER 20, 2022

The Richardson City Plan Commission met on December 20, 2022, at 7:00 p.m. in the Richardson Police Department Multipurpose Room, 200 N. Greenville Ave., #1103, Richardson, Texas.

MEMBERS PRESENT: Bryan Marsh, Chairman
Stephen Springs, Vice Chairman
Kenneth Southard, Commissioner
Joe Costantino, Commissioner
Gwen Walraven, Commissioner
Nate Roberts, Commissioner
Gary Beach, Commissioner

MEMBERS ABSENT: Sibyl LaCour, Commissioner
Michael Keller, Commissioner

CITY STAFF PRESENT: Sam Chavez, Director - Development Services
Chris Shacklett, Asst. Director of Development Svcs. – Planning
Derica Peters, Senior Planner
Connie Ellwood, Executive Secretary

BRIEFING SESSION

Prior to the start of the regular business meeting, the City Plan Commission met with staff regarding staff reports and agenda items. No action was taken.

REGULAR BUSINESS MEETING

1. Approval of Minutes of the regular business meeting of November 15, 2022.

Motion: Commissioner Costantino made a motion to approve the minutes as presented; Seconded by Commissioner Southard. Motion passed 7-0.

PUBLIC HEARING

2. Zoning File 22-15 – Planned Development – Residence Inn Richardson: Consider and act on a request to rezone approximately 5.43 acres located at the northwest corner of Glenville Drive and Greenville Avenue from PD Planned Development for the I-M(1) Industrial District and I-M(1) Industrial District with special conditions to PD Planned Development for the I-M(1) Industrial District with modified development standards and for approval of a Special Permit for a new 5-story limited-service suite hotel and an existing 4-story limited-service suite hotel. *Property Owner: Stephen Metherd, Midas Richardson I, LLC, Midas Richardson II, LLC and Midas Richardson III, LLC. Staff: Chris Shacklett.*

Mr. Shacklett began by stating Zoning File 22-15 was a request to rezone 5.43 acres from PD Planned Development and I-M(1) Industrial District to a PD Planned Development District

and for approval of two (2) Special Permits; one (1) for a proposed limited-service suite hotel and a second for an existing 4-story limited-service suite hotel

The subject property was located at the northwest corner of Glenville Drive and Greenville Avenue. The southern portion was zoned PD Planned Development in 2019, and a Special Permit was granted to allow the development of a 4-story hotel on one (1) tract which was developed in 2020 as an Element Hotel. Another Special Permit for a restaurant at the southeast corner was also approved; however, the Special Permit for the restaurant had expired since a building permit was not issued within the required timeframe, and that site remained undeveloped. The northern 2.2 acres was zoned I-M(1) Industrial District and was currently undeveloped. The applicant proposed to construct the 5-story, 122 room, limited-service suite hotel which would be a Residence Inn on this tract.

Mr. Shacklett continued stating the current access points for the property would remain unchanged. Currently, there was access to the north from Waterwood Drive. The Glenville Drive entrance provided access through a private drive to both hotel sites as well as the two (2) hotels to the west of the subject property. Access was also provided from Greenville Avenue.

The applicant also requested exceptions to the proposed I-M(1) base zoning as part of this request. One (1) exception that was already in place from the 2019 rezoning was the approval of a request to reduce the setback from the typical 40-foot setback along Glenville Drive and Greenville Avenue to a 20-foot setback to accommodate the restaurant as well as a dumpster. Because the restaurant was no longer being considered, the applicant requested the setback be changed to forty (40) feet with exception of the 20-foot setback remaining for the dumpster that was currently located along Glenville Drive. The applicant also requested to allow the parking spaces that were constructed on Lot 3, the previously approved restaurant site, to remain as a primary use. Typically, parking would not be allowed as a primary use on a property except for certain commercial parking lot or garage uses. The parking was constructed in 2020 in anticipation of a future restaurant as well as to meet the requirements for parking throughout the PD at that time; however, the restaurant was no longer being considered and the Special Permit had expired.

The existing Element Hotel was a 123 room, 4-story hotel. When the Special Permit was approved in 2019, it was done so with a reduction in the required parking from one (1) parking space per room which was a typical parking requirement for a limited service, or suite hotel to allow 0.8 space per guest room. Therefore, the requirement was ninety-nine (99) parking spaces on the site in lieu of 123 parking spaces.

The applicant also requested to allow parking to be shared between the existing and proposed hotel sites. Parking counts were provided by the applicant illustrating their highest occupancy nights at the Element Hotel to demonstrate adequate surplus parking was provided on the Element Hotel site to account for a deficiency in parking on the proposed Residence Inn site, which would still require one (1) space per guestroom. The Residence Inn Hotel was deficient in parking by thirty-six (36) parking spaces; however, the Element Hotel site and the previous

restaurant site provided a 36-space surplus. Overall, the two (2) hotels would be required to provide 221 parking spaces; 221 spaces were depicted on the zoning exhibit.

Mr. Shacklett continued stating the applicant also requested an increase in the floor area ratio (F.A.R.) to be up to 0.91:1 rather than the standard 0.75:1 within an Industrial District. This was considered consistent with areas of denser more urban development. Just to the north of site was the edge of the Galatyn Station area. Within that area, properties were developed at higher ratios, including the apartment complex directly across Waterwood, which was developed at an F.A.R. of 2.05:1.

This hotel was considered limited-service because it provided less than three (3) full meal services per day and did not provide 2,000 square feet of meeting area. Additionally, because there were separate sleeping and parlor areas within some of the rooms, it was considered a suite hotel. The hotel would provide amenities such as a pool, outdoor seating area, fitness center as well as complimentary breakfast.

The proposed building elevations for the Residence Inn was a mixture brick, stone, fiber cement panels, EIFS as well as metal canopies and awnings and other metal features on the building. It did not comply with the City's minimum 85% masonry regulations; however, due to House Bill (HB 2439) being passed in 2019, Texas cities are precluded from regulating building materials on any structures if the building materials met building code. Staff proposed to carry over the building elevations from the previous PD for the Element Hotel which was constructed in 2020. The Element Hotel was constructed in conformance with the building elevations.

Mr. Shacklett provided a summary of the proposed PD conditions to include:

- The entire 5.43 acres would be rezoned to PD Planned Development District for an I-M(1) Industrial District zoning.
- Parking would be allowed on Lot 3 in accordance with the Concept Plan.
- Allow the 20-foot setback along Glenville Drive only for the existing dumpster
- Allow an increase to the maximum F.A.R. and retain the reduced parking ratio for The Element Hotel.
- Allowing a shared parking agreement between all three (3) lots and require that agreement to be reviewed by the City prior to being filed with Dallas County prior to their development plans being approved. This would ensure that the parking agreement would stay with the properties if properties were sold.
- The Special Permit for both hotels would be required to remain as a Marriott International brand. Any change in the hotel brand would require the hotel operation to cease. If a building permit was not procured within the allotted timeframe after ordinance approval, the Special Permit would expire.

Mr. Shacklett concluded his presentation stating there had been no correspondence received in favor or in opposition to the request, then made himself available for questions.

With no questions for staff, Chairman Marsh asked the applicant to come forward to speak on behalf of the request.

Mr. Steve Metherd, 24 Berkshire Drive, St. Louis, Missouri came forward to speak regarding the request. He clarified that the existing ownership agreed with eliminating the retail use for future concepts of the property. He confirmed that although there may be different ownership across the parcels, the existing owners reviewed all plans for the development and approved the concept. He clarified the parking distance from the adjacent parking lots was not an issue. He stated if the current parking demand for The Element Hotel were consistent with the new Residence Inn, there would be very few days where the additional off-site parking would be necessary for the Residence Inn customers. He stated the current demographics demonstrated that approximately 0.7 spaces per key were needed for The Element Hotel and felt this would be the case for the Residence Inn.

Mr. Alek Strimple, 7413 Eastwick Avenue, McKinney, Texas came forward to address the request for 0.8 space per room for parking tied to the original Element Hotel request but that the code-required one (1) space per room for The Residence Inn would be provided, thus the reason for the shared parking request. He continued stating a 3-week-long study was showed where parking counts were taken at midnight to ensure there was adequate surplus parking on The Element Hotel site to share with the Residence Inn site. The average parking was 0.7 parking space per room which was what was being provided on the Residence Inn site. He stated they expect the parking on the Residence Inn site to be enough to meet the typical demand for the Residence Inn.

Mr. Metherd concluded his comments stating the elimination of the restaurant was reviewed and approved by the current owner. He also stated the co-branding of The Element Hotel and Residence Inn Hotel was beneficial to all hotels within the hotel group.

Chairman Marsh commented that the occupied parking counts did exceed the 0.7 parking space per room demand stated by the applicant. He asked for clarity if the 0.7 parking space per room justification would be for all 122 rooms.

Mr. Strimple responded the 0.7 parking space per room was an average.

Chairman Marsh continued by stating there were several days where the parking ratio exceeded 0.7 parking space per room, and actually exceeded 0.8 parking space per room in some cases. During these types of instances, occupants would be required to park on The Element Hotel site and walk across the private drive. He asked the applicant if they thought the 250-foot walk to enter the hotel was too far of a distance for an occupant to walk with luggage.

Mr. Strimple responded yes, for those peak conditions, occupants would be required make that walk. He stated the distance was being considered, and they were still in the planning stages of development. He stated the walk was similar to walking to the entrance from a parking lot in a retail setting. He stated a crosswalk with striping could also be added.

Chairman Marsh asked if there would be a covered drop-off area at the entrance of the hotel where an occupant could drive up, unload luggage, check in and then park in the other parking lot, if necessary.

Mr. Metherd responded yes.

Chairman Marsh asked why the request was a 5-story hotel and not a 4-story hotel similar to other hotels in the area.

Mr. Metherd responded the driving factor was the number of rooms needed to support the new hotel, and that a 4-story hotel would not provide the necessary number of rooms.

Chairman Marsh asked for clarity from the applicant on why they felt there was demand for another hotel given the number of other extended-stay, limited-service hotels in this area.

Mr. Metherd stated they were very similar as they both support extended-stay use; however, the customers were different loyalty groups that stayed at each hotel. There were different demographics from the brand's perspective on who that customer was for the two (2) hotels. There had been other situations where they have paired these brands successfully.

Chairman Marsh asked if any market studies had been completed concerning the average occupancy of the surrounding hotels.

Mr. Metherd responded no. A market study would be done if the request was approved. Historic data was available for all the brands that were considered for this location. He stated there was an opportunity to put a Residence Inn at the subject location considering other area Residence Inn locations that were scheduled to be taken offline.

With no further questions for the applicant, Chairman Marsh opened the public hearing and asked if there was anyone wishing to speak in favor or opposition of the request.

Seeing none, Chairman Marsh asked the Commission if they had questions for the applicant.

Seeing none, Chairman Marsh made a motion to close the public hearing, seconded by Commissioner Beach. Motion passed 7-0.

Chairman Marsh asked for further deliberation or a recommendation from the Commission.

Motion: Commissioner Roberts made a motion to recommend approval of Zoning File 22-15 – Planned Development Residence Inn Richardson. Seconded by Vice Chairman Springs. Motion Passed 7-0.

- 3. Zoning File 22-16 – Special Permit – The Golf Ranch:** Consider and act on a request for approval of an amendment of a Special Permit, Ordinance 3684, to accommodate modifications related to an existing golf driving range, golf-related activities and a commercial outdoor nursery, on an approximately 31-acre lot currently zoned LR-M(1) Local Retail with special conditions located at 3570 Waterview Parkway, at the southeast corner of Waterview Parkway and Renner Road. *Property Owner: Dr. Calvin Jamison, representing UT Dallas. Staff: Derica Peters.*

Ms. Peters began by stating the request was for approval of an amendment of a Special Permit, Ordinance 3684, to accommodate modifications related to an existing golf driving range located at 3570 Waterview Parkway. The property was zoned LR-M(1) Local Retail and was surrounded by primarily undeveloped property as well as two (2) rail lines intersecting at its south and southwest corners. The subject property was owned by the University of Texas at Dallas (UTD) and was leased to the Golf Ranch. A Special Permit was issued in 2007 for the golf driving range, golf related activities and a commercial outdoor nursery. The applicant, Blue Jeans Golf, was proposing to amend the Special Permit to continue the use as a golf practice facility and to buy out the current lease hold interest and to modify the concept plan. Blue Jeans Golf states their business model was to transform existing driving ranges into an improved experience for golf enthusiasts.

Ms. Peters presented the proposed changes to include:

- Reducing the current seventy-six (76) hitting bays to seventy-one (71) hitting bays and install an aluminum shelter to cover and protect forty-five (45) hitting bays. The shelter would include seating areas, television monitors, outdoor heaters and fans, lighting and ball tracking technology.
- All existing structures would remain on-site to include the clubhouse, a covered 6-bay hitting shelter and maintenance sheds which would be relocated to the southern end of the covered hitting bays. The current 9-hole course and short game practice areas would remain unchanged.
- The commercial nursery use is no longer necessary, but outdoor storage would be utilized behind the screening wall along Renner Road.
- Two (2) shipping containers will be added near the covered hitting stations; one (1) would contain a ball wash and dispensing station, and the other would contain a kitchen to serve food and beverages.

A typical bay elevation of the covered canopy was presented to demonstrate the typical amenities being provided.

Ms. Peters spoke regarding the differences between the current Special Permit ordinance and the proposed modifications and conditions. Changes included a reduction in the number of hitting bays, modified hours of operation and an increase in required parking. Staff also recommended that the 40-foot netting fences and poles be required along Waterview Parkway rather than just allowed as stated in the current Special Permit. A 10-foot pedestrian easement would be reflected on Synergy Park Boulevard, Waterview Parkway and Renner Road on the concept plan. Future sidewalk construction would be coordinated between the City and UTD.

Ms. Peters concluded her presentation by providing a summary of the conditions stating the Special Permit would be tied to the owner and operator Blue Jeans Golf and would expire within 180 days if no building permit was obtained.

Ms. Peters concluded her presentation by reviewing a summary of the conditions to include the hours of operation, lighting, parking, netting and sidewalks. She stated there had been no correspondence received in favor or in opposition to the request, then made herself available for questions.

Commissioner Costantino asked if the previous Special Permit was tied to The Golf Ranch or was tied to the land.

Ms. Peters responded the Special Permit was tied to the operator The Golf Ranch. Prior to this it was tied to The Practice Tee. It was also at that time the Special Permit was tied to their lease terms with UTD. It is now the standard provision to tie the Special Permit to the operator.

Mr. Shacklett confirmed the Special Permit was tied to the property and tied to the expiration date but was not tied to The Practice Tee which was why they had been able to change to The Golf Ranch. The Special Permit would be tied to Blue Jeans Golf based on this request. The current request was not proposed with an expiration date.

Commissioner Costantino asked an additional question about the expiration date.

Mr. Shacklett responded should the applicant not go through with the request, they could have changed the operator; however, it would have been tied to the expiration date of 2027 which would have required the requestor to come before the Commission.

With no further questions for staff, Chairman Marsh asked the applicant to come forward to speak on behalf of the request.

Mr. Tanner Micheli, 3333 Lee Parkway, Dallas, Texas came forward stating that he along with his partners with Blue Jeans Golf planned to take over the leasehold interest from the current operator, The Golf Ranch. Their intent was to make minor improvements throughout the site to include adding a canopy structure and making the driving range experience for the golf enthusiast more accommodating, comfortable and more enjoyable and fun. Two (2) shipping containers would be added as part of the project for food and beverage service. Repurposing an 8-foot by 40-foot container would work well for the design and fit well with the concept and demographic of a patron who comes to a driving range. The existing short game area and the Par 3 golf course would remain as is. This would be the second facility, the first of which was taken over in Brookfield, Connecticut, which was acquired earlier in 2022 with a modest renovation, adding the technology. A food and beverage offering were currently being incorporated at that site.

In conclusion, Mr. Micheli provided illustrations of the site plan for the Golf Ranch and further commented that he wanted to remove staff's recommendation requiring netting along Waterview Parkway. A letter from the existing operator of the property stated the previous netting was only 20-foot-tall. He stated the netting was knocked down by a storm in 2020 and was never reinstalled. Since then, there had been no incidents. He stated it was very unlikely that a ball would be hit into Waterview Parkway due to the configuration of the hole unless purposely aiming to hit the ball in that direction. He continued by stating the recommendation would be different if the hole were a longer hole where a larger club was being used. He then made himself available for questions.

He pulled up the rendering at the request of Chairman Marsh to provide a visual for the Commissioners.

Commissioner Roberts asked if the intent of the applicant was to secure a liquor license.

Mr. Micheli responded yes. He continued by stating it would be limited service or hand-held (e.g., beer or wine, canned cocktails) and not mixed beverages.

Commissioner Southard asked if both food and beverage services would be walk-up service only.

Mr. Micheli confirmed that was correct. There would be no servers. He continued stating there may be some patio seating near the container areas, however this would be limited, and there was no seating in the containers. The intent was to drive the guests to the bays.

Chairman Marsh commented he understood what was stated regarding the netting along Waterview Parkway. He walked the site and stated it was a short hole and was an easy, short chip angled away from the street. It was a very small area that was at risk. His thought was Synergy Parkway was more at risk should there be long drivers, but even so, it was over 300 yards away.

With no further questions for the applicant, Chairman Marsh opened the public hearing and asked if there was anyone wishing to speak in favor or opposition of the request.

Seeing none, Chairman Marsh asked the Commission if they had questions for the applicant.

Seeing none, Chairman Marsh made a motion to close the public hearing, seconded by Commissioner Beach. Motion passed 7-0.

Chairman Marsh asked for further deliberation or a recommendation from the Commission. He further commented he felt there were nice improvements presented. He spoke specifically regarding the netting stating he was of the opinion there was no need for netting. He understood the netting was in place to protect vehicles.

Vice Chairman Springs commented that he felt the netting was not aesthetically pleasing and would support the applicant's request to remove the netting requirement.

Chairman Marsh stated vehicles travelling northbound on Waterview Parkway would be hit from behind should an incident take place, but it would have to be a very errant shot and highly unlikely.

Commissioner Costantino asked if there was an insurance requirement from the applicant's insurance provider requiring the netting.

Chairman Marsh commented typically it would be the golfer or the person that strikes the ball and causes damage who would have to carry insurance. The golfer would be at fault, not the business.

Commissioner Southard asked if an incident would subject the City to any liability.

Mr. Shacklett responded he believed it would not subject the City to any liability. Since 2007 the owner/operators have been allowed to have netting, however it was not required.

Mr. Chavez stated it was not a liability situation as much as it was a what-if situation. Staff's recommendation was to require the netting just in case an incident were to occur. He concluded stating the person that hits the ball would be liable.

Commissioner Roberts asked if it was ever brought to staff's attention that an incident had occurred.

Mr. Chavez responded no.

Commissioner Southard commented there was much more development taking place across the rail lines. There was a possibility there would be a sidewalk installed along Waterview Parkway and would that change the situation concerning netting. Should that be a consideration contingent on a sidewalk installation.

Mr. Chavez responded it was something the Commission could consider. At the time a sidewalk was installed, the netting would also have to be installed in order to protect, not only vehicles, but also pedestrians.

Commissioner Southard asked about the netting as it related to a future sidewalk along Waterview Parkway and if that could be considered.

Mr. Chavez responded yes.

Mr. Micheli commented the odds of any incidents occurring on a future sidewalk, even if heavily traveled by pedestrians, would be highly unlikely.

Commissioner Southard asked if the hole along Waterview Parkway was a lower velocity shot.

Mr. Micheli responded yes.

Commissioner Walraven commented she understood that it was highly unlikely that an incident could occur here; however, a driving range would host less experienced golfers. It was not beyond the realm of possibility that a novice golfer does not understand the correct type of club to use, and it is possible they could hit an errant shot. Her preference was to have the netting installed to ensure that there were no incidents as there would potentially be more novice golfers at this facility.

Commissioner Southard asked if there were any estimates to the cost of installing netting and poles and would that cost substantially impact the request going forward.

Mr. Micheli responded he was not sure if the cost would negatively impact the deal and that the cost was roughly estimated at \$250,000 to install. He further commented that the recommended 40-foot netting would have little impact on this hole since a short wedge shot could travel as high as ninety (90) feet in the air. The 40-foot netting along Waterview Parkway would have little impact, and they would have to incur a large cost.

Motion: Chairman Marsh made a motion to recommend approval of Zoning 22-16 – Special Permit – The Golf Ranch as presented with the modification to condition number 6 to state the netting be allowed, but not required, along Waterview Parkway and Synergy Park Boulevard. Seconded by Commissioner Roberts. Motion passed 6-1 (Commissioner Walraven opposed).

4. **Zoning File 22-17 – PD Planned Development – Blue Ocean-Hyatt House:** Consider and act on a request to rezone approximately 5.2 acres located at 2301 N. Central Expressway, on the north side of Fall Creek Drive, between Central Expressway and Collins Boulevard, from PD Planned Development for the TO-M Technical Office District to PD Planned Development to accommodate the conversion of a 131-room suite hotel to a 131-unit apartment development; and a request to rezone approximately 0.44 acres located at the southeast corner of Fall Creek Drive and Collins Boulevard from TO-M Technical Office District to PD Planned Development to limit the development of the property to an open space area. *Property Owner: Robert Cole, HH Richardson Hospitality Partners. Staff: Chris Shacklett.*

Mr. Shacklett began by stating Zoning File 22-17 was a request to rezone two (2) tracts, the first was 5.2 acres (Tract A) from PD Planned Development for the Technical Office District to PD Planned Development to allow the repurposing of 131 hotel rooms to accommodate a 131-room apartment unit development. This 5.2 acres was located on the north side of Fall Creek Drive between Central Expressway and Collins Boulevard. It was also a request to rezone 0.44 acres (Tract B) located at the southeast corner of Fall Creek Drive and Collins Boulevard to PD Planned Development District to limit the area to an open space area only. The properties to the north and south were zoned TO-M Technical Office. The property directly to the east of the hotel was zoned PD Planned Development District for retail and restaurant uses. The property to the west across Collins Boulevard was zoned single-family residential.

Mr. Shacklett continued by stating that the subject property (Tract A) located on the north side of Fall Creek Drive was developed in 1995 with a 131-room suite hotel. The property had operated as various hotel brands over the years, currently as a Hyatt House. The applicant proposed to repurpose the existing hotel into apartments to include enhancements related to the building facades and curb appeal, as well as site upgrades including a proposed 4-foot decorative wooden fence along Collins Boulevard and a small portion of Fall Creek Drive. The applicant was proposing significant upgrades to the interior of the units as well as the interior common areas.

The proposed uses on Tract A would be apartments as well as a suite hotel, although there were some limitations on that hotel and some requirements for that use to cease as part of the phasing requirements. Mr. Shacklett described the proposed development regulations to include:

- Maximum height of thirty-six (36) feet.
- Minimum unit sizes would remain the same as the current hotel room sizes which were 450 square feet for a studio unit and 500 square feet for the one-bedroom unit.
- No minimum requirements for the lot size or dimensions.
- Maximum floor area ratio (F.A.R.) would be 0.35:1.
- Current setbacks would remain the same to include a 100-foot setback along Collins Boulevard and Central Expressway; 40-foot setback along Fall Creek Drive; and a 25-foot setback along the northern property line
- Parking setbacks would remain the same to include a 40-foot landscape setback along Collins Boulevard; 10-foot landscape setback required along the north and south property lines.
- Proposed parking ratio was one (1) space per unit which was typical for newer apartment developments which was on a per-bedroom basis. Currently provided on the site was 151 parking spaces so parking was provided at approximately 1.15 per unit.

Mr. Shacklett explained that the development standards for Tract B limited the use of the property to open space and future landscaping would be approved by the City.

Mr. Shacklett discussed the proposed future intersection improvements at the intersection of Fall Creek Drive and Collins Boulevard. He explained that a trip generation comparison memo was provided by the applicant to compare peak hour and overall trips between the existing and proposed uses. Based on the memo, no additional study or roadway modifications were required. He stated the applicant has discussed traffic issues such as speeding along Collins and at the intersection of Fall Creek Drive with the adjacent neighborhood and the City. He stated the applicant has agreed to provide an escrow of \$100,000 for future intersection improvements. The City would be responsible for making those improvements at a later date, and he clarified the improvements were not required as part of this project.

Mr. Shacklett reviewed the proposed development standards. He then reviewed the phasing requirements stating the applicant stated once the zoning entitlements were approved for the subject property and the property was purchased, they could begin the process of repurposing the rooms to apartment units. They start on one (1) building which could potentially have bookings or long-term guests and would phase them out over a 12-month period. Staff recommended that within sixty (60) days of the issuance of the first building permit, no building shall be allowed to be used as a suite hotel, and the units may only be used as apartments.

Should the zoning be approved, the applicant would move forward with negotiations with the current property owner to purchase the property. Once the property was purchased, the applicant could begin permit drawings and could also begin relocating long-term guests. Once the building permit was submitted for and issued, the conversion timeframe of sixty (60) days

would begin, and all buildings would be required to be vacated of hotel guests and become apartment uses only.

Mr. Shacklett stated the applicant requested additional time to ensure they had adequate time to relocate guests especially long-term guests for which it could take longer to move out. Originally, the request was that within 120 days of ordinance approval, all long-term guests would be relocated to one (1) building. Within one (1) year of the ordinance approval date, that building would have to be vacated of all hotel guests.

Mr. Shacklett explained this was a condition that staff worked on with the applicant. However, staff felt this could potentially cause issues if the deal took longer or did not come to fruition, and it remained a hotel, which could cause a situation where the hotel could no longer be used as a hotel after one (1) year of the date of the ordinance approval. Staff suggested that the language and trigger dates be changed to coincide with the issuance of the building permit. Issuance of a building permit would be a proactive step being taken rather than the clock starting as soon as the ordinance was approved.

Mr. Shacklett stated the revised request, which would be in lieu of 120 days of ordinance approval, was now within sixty (60) days of the issuance of the first building permit, all hotel guests would be required to be relocated into a single building. Next, ten (10) months after the issuance of the first building permit, no building shall be used as a suite hotel. The difference between staff's recommendation and the applicant's recommendation regarding the time for all hotel guests to be moved out was eight (8) months. For either recommendation, the timeframe to move everyone into one (1) building would be two (2) months. Staff wanted to provide this revised condition in case the project did not move forward so the existing hotel could continue to operate.

Mr. Shacklett concluded his presentation stating that staff had received one (1) letter in support of the request from the property owner to the south which was provided within the packet. Since that time, staff had received one (1) letter with a neutral position from the Canyon Creek HOA assuming certain conditions were met, and if not, the HOA would be in opposition to the request. Staff had also received one (1) additional letter in support of the request and nine (9) letters in opposition. He then made himself available for questions.

Commissioner Roberts asked if the zoning would be tied to the operator Blue Ocean.

Mr. Shacklett responded no. Since this was a rezoning and not a Special Permit, it was a rezoning to a different zoning district for a new use. Since the use did not traditionally require a Special Permit, it would not necessarily be tied to the owner. However, the Commission may be able to tie it to Blue Ocean through a Special Permit. As presented, and as typically done for rezoning for apartments, these were not typically tied to a specific developer or owner.

Commissioner Roberts asked for clarity if the ownership changed, would all the proposed conditions still apply if the zoning were approved.

Mr. Shacklett responded yes; all zoning conditions would be required of the new owner. If a new owner came in and wanted to create more units or add more building area, they would be required to go through the zoning process.

Chairman Marsh commented after the first year, the site would be converted to apartments. He asked if the owner would still be able to lease out the units on a short-term basis (e.g., short term rental basis). He also asked what the status of the short-term rental ordinance was and if it was still being debated.

Mr. Shacklett responded they would be subject to the city's short-term rental regulations the same as any apartment or single-family home was.

Mr. Chavez stated the short-term rental ordinance was adopted approximately four (4) months ago.

Chairman Marsh clarified the ordinance required the household to register, pay a registration fee, post notifications regarding topics such as safety, trash, parking, noise and provide a contact that could be on site within twenty-four (24) hours.

Mr. Chavez responded yes.

Mr. Shacklett stated staff's understanding was the same regulations required for single-family homes that were rented would be required. There were additional requirements regarding contact information and posting that were not typical of standard rentals.

Mr. Chavez concurred.

With no further questions of staff, Chairman Marsh invited the applicant to come forward for presentation.

Mr. Evan Gallant, 702 W. Timonium Road, Lutherville, Maryland came forward to speak on behalf of the request. He began his presentation stating he would be speaking to Blue Ocean's expertise and why they were here. He would cover specifically extended-stay hotels and how they age and why it created a challenge from an operational standpoint. Finally, he would speak to Blue Ocean's business plan and the solution for the subject property.

Mr. Gallant described Blue Ocean's team and what they have historically done. They would be considered a traditional real estate owner/operator with heavy focus on residential properties, specifically apartments. During the pandemic, an opportunity presented itself with an extended-stay hotel property that had been primarily used as apartments (individuals/families living in the units for over a year) that had a high crime rate.

Mr. Gallant explained that Blue Ocean worked with the surrounding community to explain their plan to convert the hotel to apartments and ultimately moved forward with the conversion. After exploring this further, four (4) more properties had been acquired nationally by Blue Ocean. He spoke about the extended-stay hotel life cycle with the extended-stay concept being

introduced in the late 80's through early 90's. At that time, it was not clear how those types of properties would look twenty-five (25) years later competing with newer hotels. He stated the older properties would serve the community for a time, then undergo a down-flagging event going to a lower tier operator. He stated issues arose because the hotel rooms were built with full apartment amenities such as kitchens and hotels could not legally screen people wanting to rent a room. From experience, it was found that most residents living at these sites would not qualify for traditional apartment screening. A mechanism would be put in place to ensure the properties were invested in, and residents would be screened properly. He provided data obtained from the Richardson Police Department regarding calls and reports from the Hyatt House and Hawthorn Suites in Richardson to provide a comparison of actual calls received by the Police Department. He stated the properties they had previously converted did not generate as many calls as the hotels he was discussing.

Mr. Gallant discussed existing conditions of the subject property commenting that much of the property had not been renovated in over ten (10) to fifteen (15) years. Owner/operators of these properties could not justify investing dollars to create an elevated interior finish that would justify elevating daily rates enough to offset the costs associated with the updates. He continued stating that the Trellis brand would create a continuity among its sites regardless of the location, regarding an aesthetic and operations level. Some of the hallmarks of the Trellis brand included significant curb appeal, significant landscaping and full renovations of the interior units while keeping the original design of the property. Direct capital improvements would be more than 5.25 million dollars for improvements.

Mr. Luke Franz, 2323 Ross Avenue, Dallas, Texas, legal counsel from Jackson Walker representing the applicant came forward to speak regarding the outreach with the neighborhood that took place regarding the subject request. He stated they met with City staff to include the City Manager and the Planning department to discuss the project. Meetings were also held with the Canyon Creek HOA Board which resulted in conducting full meetings with the surrounding neighborhoods. This all took place prior to filing any requests to the City. The culmination of these meetings resulted in the proposed zoning presented by staff as well as proposed deed restrictions. The current PD and zoning would keep the current footprint. No changes could be made to the number of units, expansion. Additionally, required amenities and landscaping enhancements along with escrowed funds for future traffic improvements were part of the commitments made to the neighborhood. Private deed restrictions were also created and would be filed with the Dallas County once the property closes if the zoning was approved. The deed restrictions would control things such as maximum individuals per unit. Blue Ocean requires a maximum of two (2) individuals per unit. The deed restrictions would also require a rigorous screening process (background and credit) for all residents and a provision to establish the property as a drug free property. If violated, Blue Ocean would have authority to evict on-site.

Commissioner Southard asked what the minimum lease term was for a unit. He also asked if the units offered laundry facilities within the units.

Mr. Gallant responded twelve (12) months. He continued by addressing a comment regarding short-term leases stating Blue Ocean's lenders required them to have minimum 12-month

leases. He continued stating there would be a central laundry facility and combination washer and dryer amenities would be offered per unit.

Commissioner Roberts asked what the pet policy would be.

Mr. Gallant stated there were breed restrictions as well as weight restrictions of sixty (60) pounds.

Chairman Marsh stated the advertisement for Trellis North Dallas offered rooms by the night. He asked the applicant about their statement saying the lender required a minimum lease timeframe of twelve (12) months. He also asked when this facility was acquired.

Mr. Gallant responded, once the properties were fully converted, the 12-month lease requirement would be in place. Trellis North Dallas was in the transitional or phasing period. While renovating one (1) building, the other building remained with furnished units. They were challenged with inheriting residents utilizing the units as an apartment and allowing them time to move. The practical side was it was a significant burden to carry the properties' operating costs. They had no interest in maintaining extended-stay operations. He then stated the facility was acquired in July of 2022.

Chairman Marsh asked what the applicant's plans were for Tract B.

Mr. Gallant responded they did not have a need for this tract of land. At a minimum they would install landscaping on it. They had no use for the small tract and offered options to the City or neighborhood to use the tract.

Chairman Marsh commented one of the neighborhood's conditions was to deed Tract B to the City. He asked for response to this condition. He also asked what would be done with this tract.

Mr. Franz responded stating the City, at present, did not want to take the property. Staff had spoken with the neighborhood leadership about that condition.

Mr. Gallant stated they would leave it open and landscape it for curb appeal.

Chairman Marsh asked about the screening process for potential residents (credit, background checks) and if it would include a criminal history.

Mr. Gallant responded yes.

Chairman Marsh commented in order to codify the neighborhood's conditions, the applicant was addressing the conditions through private deed restrictions and not necessarily a covenant or a separate agreement with the neighborhood association.

Mr. Franz responded it was a restrictive covenant which is synonymous with a deed restriction that would be for the benefit of the HOA. Until executed it would be held in escrow and would be recorded with the County at the close of the property assuming zoning passed.

Mr. Chavez commented that a similar situation occurred with the Lennox property located at Coit Road and Campbell Road with deed restrictions that benefited the adjacent HOA. Any amendment to the zoning on the property or change in ownership required an amendment to the covenants. Approximately two (2) months ago there was a zoning case that came before the Commission for a Montessori school on Campbell Road for which they were working through the covenant amendments through the POA. This was the type of process they would be required to undergo.

With no further questions for the applicant, Chairman Marsh opened the public hearing and asked if there was anyone that wanted to speak in favor or opposition to the request.

The following individuals came forward in opposition to the request:

- Mr. Jeremy Thomason, 3301 Canyon Creek Drive, Richardson, Texas
- Mr. Sean Scott, 412 Fall Creek Drive, Richardson, Texas
- Mr. Walt Parrish, 313 Arborcrest Drive, Richardson, Texas
- Ms. Whitney Parrish, 313 Arborcrest Drive, Richardson, Texas (did not speak)
- Mr. Adam Wallace, 2218 Eastwood Drive, Richardson, Texas
- Mr. Charles “Chip” Pratt, 2700 W. Prairie Creek Drive, Richardson, Texas
- Mr. Ryan Robinson, 330 Ridgehaven Place, Richardson, Texas
- Mr. Chip McDaniel, 414 Ridge Crest Drive, Richardson, Texas

Mr. Gallant came forward to address the comments made in opposition to the request. He commented that the Hyatt House fell within the Prairie Creek Elementary school district boundaries; therefore, residents with children currently living at the hotel would be able to enroll their child at this school. This was discussed at length during one of the HOA meetings and to address this, an occupancy cap would be put in place of two (2) people maximum per unit. The odds were very low that there would be a resident with a small child living in a small space. Also, there would be no playgrounds installed on the property. He further commented that residents would be vetted and would be individuals that had good credit scores, who had a history of paying their bills on time and did not have a criminal history. This screening process has been very critical with every community they have worked in.

He continued by addressing the comment regarding the demand for extended-stay hotels stating individuals were drawn to newer, nicer hotels. Lenders have confidence that they could build new facilities driving demand to them, but this would further isolate hotels such as Hyatt House from that demand. As extended-stay hotels age, they try to avoid paying taxes to the municipality, so they extend the duration of the stay of a guest. Many times, there would be a 30-day trigger period where if someone stayed on-site more than thirty (30) days, the property owner would not be required to pay certain taxes to the City or the state for the hotel leisure tax.

He then addressed the comments regarding traffic stating they were very supportive of the future traffic improvements to come and were illustrating this support very practically and in writing. Traffic impact was minimal. The number of staff to operate the hotel would amount to approximately thirty (30) to forty (40) staff members either part-time or full-time. Many of

them do not have vehicles, so they would be dropped off by parents or siblings and that equated to a car in each morning and a car out in the afternoon multiplied by thirty (30) employees, in addition to the existing guests staying at the location. When converted over to Blue Ocean's use which included less staff members or people working from home, along with the location along Highway 75, the impact is minimal.

Mr. Gallant spoke regarding the fencing stating it was more of a decorative fence as opposed to a security fence. The intent was to provide a nice, beautiful screen for the view corridor towards the building from the west.

Chairman Marsh asked if any or all improvements had been made to the exterior of the buildings for the Trellis North Dallas location.

Mr. Gallant stated no. Building signage was installed last week on the front door and the highway signage also went up last week. He stated there would be ninety (90) to one hundred (100) days lag time from the closing on a property to onboard. This would hold true for any acquisition that took place. There would also be lag time for ordering goods and supplies. Regarding exterior improvements specifically, it would be seasonally driven (e.g., painting would take place in the spring when the weather was cooperative, and the days were warmer).

Chairman Marsh asked if all the applicants' other locations were migrating over to the apartment only model for a minimum of one (1) year leases. He questioned this because the North Dallas Trellis location was publicized on their website as a modern day extended-stay.

Mr. Gallant responded yes. He stated the advertisement was only for the transitional or phasing period. He confirmed that every single property would be modeled with a twelve (12) month lease that fit within the Fannie Mae/Freddie Mac criteria.

The following individuals returned to the podium for additional comment in opposition to the request:

- Mr. Sean Scott, 412 Fall Creek Drive, Richardson, Texas
- Mr. Adam Wallace, 2218 Eastwood Drive, Richardson, Texas
- Mr. Ryan Robinson, 330 Ridgehaven Place, Richardson, Texas

Chairman Marsh addressed the comment regarding enforcing maximum number of occupants per unit stating the applicant indicated it would be included and written as part of the deed restrictions.

Mr. Franz came forward to confirm the maximum number of occupants per unit would be included as part of the deed restrictions.

Mr. Shacklett responded to the comment concerning minimum unit size. As presented, it specifically prohibited any units larger than one (1) bedroom.

Mr. Gallant and Mr. Franz both concurred.

With no further questions for the applicant, Chairman Marsh made a motion to close the public hearing, seconded by Commissioner Beach. Motion passed 7-0.

Chairman Marsh asked the Commission for further feedback or a motion.

Chairman Marsh commented that for practical purposes the location was already being utilized as apartments. It appeared it was falling into disrepair. He was not sure that turning the property into apartments was the solution, but possibly a temporary fix. Long term, he did not feel apartments were the best use for the property. The neighborhood did not support the request. The property location was one (1) of the main entries into the Prairie Creek and Canyon Creek neighborhoods, and he could see where there would be much concern about this. He felt it was a nice solution but not long term.

Commissioner Costantino stated that the Hyatt House appeared unsavory. The reality was the Hyatt House was there, and it attracted a certain demographic. He questioned if the property should be left as is where it would deteriorate further until a better solution was presented or was this a reasonable temporary solution. From his perspective, it was a reasonable temporary solution.

Commissioner Roberts commented that one of his concerns was affordable housing. He was not sure if this proposal would satisfy those concerns. He continued by stating that there was an awareness regarding the sensitivity of more apartments within the City and for those reasons, he would be more inclined to consider the comments in opposition to this request.

Vice Chairman Springs agreed with Mr. Pratt's comments. In terms of this proposal, he did not feel it was fair to compare this to past projects. It should be based on its own merits. With that thought in mind, he felt there should be some reward for an applicant who demonstrated the willingness to change their plans, tweak their pro-forma and make concessions and work with their neighbors. He pointed out that the applicant made concessions and has agreed to virtually all the neighborhood's requests. He was impressed by this. He was inclined to believe it would be fair to give the applicant the opportunity. He stated if this project were proposed around his neighborhood, they would be applauding. Due to where the property was located, coupled with the history surrounding the neighborhood, he understood the opposition. However, he felt it should be looked at as a separate object on its own. On its own merits, he felt it made sense and was low risk. He addressed the debate between long term and short term, and maybe the short-term fix was not perfect, but he thought it was more reasonable than letting the property become derelict. He concluded by saying he could not imagine how many people would be upset if the Commission chose a path that would allow the property to become derelict.

Commissioner Southard stated he was impressed with what was being proposed, particularly because of the location, which is right next door to West Coast University. If you looked at the housing costs for students, the monthly housing costs locally were similar. The properties were very close to one another. He guessed this would be one (1) client or renter source that would help make the project successful. The timing of West Coast University coordinating with this project would be advantageous. The 'higher use' requests were not being requested. The

property was not big enough to attract a large ‘higher use’ project. He was inclined to think the request, even though it may be a short-term solution, was a much better solution for the City. He concluded his comments by saying this was a better solution than letting the continued decline occur.

Commissioner Beach commented by saying if you wanted to see decline, you could see similar issues in Lake Highlands. He understood that the request may not be exactly what the neighborhood wants, but he felt it was better than letting the property decline into something worse.

Chairman Marsh, commented he appreciated what the applicant had done working the neighborhood, trying to address all their concerns. He did not know what the market was for extended-stay hotels. There was another case presented tonight where Residence Inn thought it was a very desirable location in Richardson to build a brand-new location. He wasn’t aware if anyone had considered this for the subject location. Senior housing had been mentioned. Maybe it was more student housing that was catered to the University. Things change over time as far as what was the highest and best use. He grew up in both Prairie Creek and Canyon Creek. He did not live there any longer, however he did relate to the neighborhoods and was aware of how strongly they were opposed to apartments near their borders. He reiterated his appreciation for all the work put into the request. He just did not think rezoning the property to apartments was the long-term, best use for the property. He felt it was a quick fix. The applicant did make many concessions; however, he felt it was a land use issue and would rather see the property remain as a hotel.

Vice Chairman Springs asked about the deed restriction process. As related to short term versus long term solutions, would putting in place numerous deed restrictions result in unintended consequences in the future.

Mr. Shacklett responded it would be possible depending on how the deed restrictions were written. It could create an issue in the future for development of that property. As far as the City was concerned, should the request be approved and the deed restrictions put in place, the Commission and Council would not be prohibited from allowing a zoning change in the future if it were inconsistent with the deed restrictions. However, if the zoning changed in the future, the new zoning would not override the private restrictions, just as the deed restrictions do not override zoning. Depending on how the deed restrictions were written, they could hamper future redevelopment of the property.

Mr. Chavez responded that deed restrictions were generally between two (2) parties. In some instances, the City may be a third party to those deed restrictions, but only related to items that relate to public improvement such as drainage. Through litigation, an interested party could have the property owner, abide by the deed restrictions. These were typically private matters between the two (2) parties. Should the City become involved, it would typically be related to public open space, drainage or some other public improvement.

Vice Chairman Springs asked if a deed restriction was written around the terminology of residents and tenants, and then the proposed use was to change from a residential use to

something different, the restrictions would not carry weight any longer because the use would be something other than residential.

Mr. Chavez concurred.

Vice Chairman Springs continued, commenting if the use continued to be residential, the deed restrictions would be in effect. It depended on how it was written.

Mr. Shacklett concurred and responded it depended on how it was written. If the deed restrictions say it shall only be for residential uses, the CPC and Council could change the zoning to an office use, for example, in the future, but those private restrictions would still need to be addressed. Even though the zoning would be in place for the property, the deed restrictions, which were more restrictive than the zoning, would apply.

Vice Chairman Springs stated the intent is to not create future barriers, but the Commission cannot speak to what is in the deed restrictions.

Mr. Shacklett stated the City can only address zoning related issues.

Motion: Commissioner Costantino made a motion to recommend approval of Zoning File 22-17 – PD Planned Development Blue Ocean-Hyatt House with the revised phasing to meet the applicant’s revised request of sixty (60) days to move individuals to one (1) building from date of the issuance of the building permit then ten (10) months from that date, the hotel use would cease.

Commissioner Beach asked if the motion was inclusive of the concessions requested by the HOA.

Mr. Shacklett confirmed the motion would include everything within Exhibit A of the staff report with the modification to the phasing. This did not include the letter from the HOA. He continued by confirming that out of eleven (11) items on the HOA list, four (4) items could be regulated by zoning. This would include one (1) parking space per unit; maximum 131-unit capacity; no further expansion beyond the current footprint; and the \$100,000 contribution in escrow for future traffic related improvements as determined by the City.

Commissioner Beach asked how the items that could not be regulated by zoning would be addressed.

Mr. Shacklett responded those items would be addressed through a private agreement. He understood those concessions would not be codified into some type of filed or recorded deed restrictions until after the zoning was approved because it would not happen until such time the developer owned the property and could enter into those agreements. Mr. Shacklett stated that although the public hearing had been closed, the applicant could come forward to clarify their intent for the deed restrictions.

Vice Chairman Springs continued by going through the HOA's request stating that most of their requested concessions were addressed through zoning or the proposed deed restrictions.

Mr. Shacklett stated the applicant should come forward to clarify their intentions related to the proposed deed restrictions and confirm what would be included and what their timing would be. He understood this would not take place until after the zoning had been acted upon.

Mr. Gallant came forward to clarify their intent for the deed restrictions. He stated in principle there would be an agreement with the HOA, a covenant would be signed and executed then would reside in escrow until closing. At closing it would be recorded.

Chairman Marsh asked for the motion to be restated:

Motion: Commissioner Costantino made a motion to recommend approval of Zoning File 22-17 – PD Planned Development Blue Ocean-Hyatt House with the revised phasing to meet the applicant's revised request of sixty (60) days to move individuals to one (1) building from date of the issuance of the building permit then ten (10) months from that date, the hotel use would cease. Seconded by Commissioner Beach. Motion passed 4-3. Chairman Marsh, and Commissioners Walraven and Roberts in opposition.

ADJOURN

With no further business before the Commission, Chairman Marsh adjourned the regular business meeting at 9:29 p.m.

Bryan Marsh, Chairman