

STAFF EVALUATION

To: Planning Commission

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728-5127

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728-5235

Case No. : UP 1047

Date: February 5, 2009

General Information

<i>Applicant</i>	Rajesh Randeira
<i>Owner</i>	Ambika Hotel, LLC 245 Granby Street Norfolk, VA 23510

<i>Location</i>	The proposed development is located on a 0.53 ± acre lot located at the southwest corner of the intersection of East Queen and Eaton Streets, known as 132 East Queen Street [LRSN #2002878]. The site is adjacent to the Verizon transfer station to the north, the Harbour Center Building to the east, and First Methodist Church and its' parking lot to the south and west.
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<i>Requested Action</i>	Use Permit to allow the operation of a 67-room boutique hotel.
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<i>Description of Proposal</i>	The applicant proposes to operate a 67-room boutique style hotel at the former United States Post Office building located at 132 East Queen Street. The proposed project will feature the renovation of the existing building and the construction of a 5-Story 65 hotel room addition at the corner of the site.
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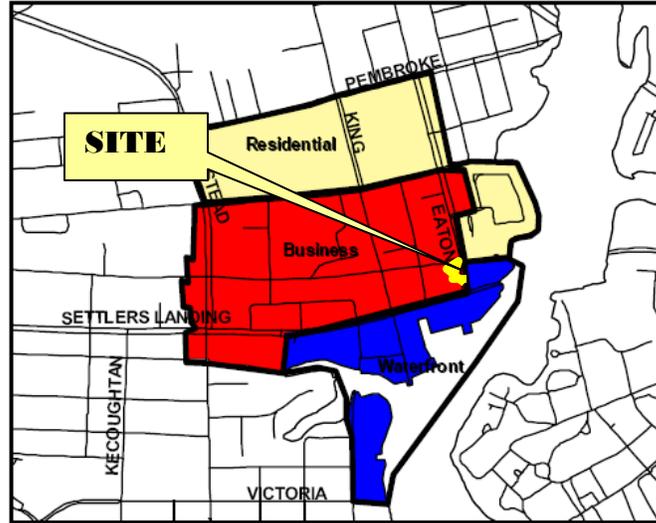
The existing building will be remodeled and utilized as a front desk and lobby, bar/bistro, and conference rooms. The applicant also proposes to convert the 2 former apartments units on the 2nd floor into upper-end suites for extended stays (approx. 2 to 3 weeks). The applicant plans to retain an existing kitchen for food preparation associated with room service along with a bar/ bistro to

be located in the lobby. The existing basement will be used for storage with employee and laundry services.

The 5-story addition will accommodate 65 hotel rooms with either two queen beds or a single king. The facility will include such amenities as an indoor pool, sauna and exercise center.

Existing Zoning

SPECIAL PUBLIC INTEREST- OLD HAMPTON BUSINESS: SPI-OHB



Article XI, Sec. 17.3-68.

Special Public Interest- Old Hampton allows hotels subject to securing a Use Permit, (amended 8/15/07), Sec.12-1 and restaurants by right.

Pursuant to Article XI. Sec. 17.3-68, Special Interest Old Hampton District is intended to:

1. Preserve and enhance the historic characteristics of Old Hampton;
2. Encourage uses which are compatible with past developments and supportive of the district's character to be preserved;
3. Assure that new structures and uses within the District will maintain visual and functional harmony with past private developments.
4. Any site plan or other reviews required shall be carried out in accordance with the objectives stated in Sec. (17.3-68)

Background Information

In the 1980's the United States Post Office relocated from 132 East Queen Street to 89 Lincoln Street, thereby rendering the existing building vacant. Since then, the building has only been reused as a restaurant and live entertainment venue.

In 1986 the Hampton Redevelopment and Housing Authority(HRHA) acquired the one-time Post Office

building as part of a City initiated property acquisition proposal.

In 1990, the HRHA sold the property to Mr. David Merrit who converted the existing building into a restaurant. Subsequently in 1992, City Council granted a Use Permit Application # 788 by Mr. Merrit to operate a restaurant with indoor entertainment at the venue.

In 1993, John Chohany of Magyar Csalad, LLC purchased the property and operated *Second Street Restaurant & Tavern* at the site. The following year, City Council granted Use Permit Application #851 by *Second Street Restaurant & Tavern* to operate indoor and outdoor entertainment at the venue.

In 2002, City Council denied a Conditional Privilege Application #55 by Mr. Simon Alarcon *Virginia Live Restaurant & Tavern* to permit dancing and live entertainment in conjunction with a restaurant because it was inconsistent with the 2010 Comprehensive Plan, Downtown Master Plan and Old Hampton Zoning standards.

Two years later, City Council approved Conditional Privilege # 75, by Willie Brown of Global Consulting to permit live entertainment with a restaurant at the premises.

In 2006, Mr. Magyar Csalad sold the property to the City of Hampton. That same year, the City entered into a sales agreement with the Aniesh Corporation of Norfolk, to purchase the Old City Hall building and the Old Post Office properties for purposes of redevelopment into condominiums and an upscale boutique hotel respectively.

As part of the sales transaction, the City entered into a *Purchase Agreement* with Aniesh Corporation to ensure the development of a high quality hotel product on the site.

<i>Surrounding Land Use and Zoning</i>	North: SPI-OHB: Verizon Communications.
	South: SPI-OHB: First Methodist Church parking lot and playground.
	East: SPI-OHW: Harbour Centre Building and Mill Point Park.
	West: SPI-OHB: First United Methodist Church.
<i>Existing Land Use</i>	Vacant former United States Post Office building.
<i>Public Policy</i>	The <u>Hampton Community Plan (2006, as amended)</u>



The Hampton Community Plan (2006, as amended) encourages new Downtown developments that support tourism. (LU-CD 6)

The Community Plan also promotes the preservation of historic landmarks, adaptive reuse of buildings, and the renovation of community facilities.(CF-11, CF-3, CF 13)

The Plan also supports the use of community facilities as a catalyst for strategic investments, redevelopment, revitalization, place making, and community building.(CF-14)

The *Downtown Master Plan* also recommends the expansion of tourism, entertainment, and cultural opportunities within the city. (p.15)

The Plan envisions small street blocks with mixed-use and street-oriented buildings that create active streets and public spaces as well as a sense of place. (p.15)

The Master Plan also calls for creating and enhancing gateways to Downtown and recommends improvements of Settlers Landing Road from Armistead Avenue to Eaton Street, which will transform this thoroughfare into a downtown business street. (p.14)

The Plan also supports development with an interconnected parking system. (p.15)

Site & Building Design

The conceptual site plan and building elevations, including materials and colors have been reviewed and approved by City staff on May 8, 2008. The architectural character of the existing building will be retained and the new addition will match the existing building via character, style, materials, and colors.

Community Meeting

A community meeting was held by the applicant on January 27, 2009. Staff will update the Commission at their meeting on the outcome of the community meeting.

Impact Analysis

<i>Traffic/Parking</i>	<p>The Board of Zoning Appeals (BZA) has granted a Parking Variance (#07-149, dated 11-17-08) request to reduce the required on-site parking spaces from 28 to zero and to reduce the required loading spaces from 2 to zero.</p> <p>As part of the <i>Purchase Agreement</i>, the City intends to grant a lease, for up to 40 reserved valet parking spaces at the public parking lot, located at the northeast corner of Lincoln and Eaton Street across City Hall to serve the hotel. The initial lease would be for a period of not less than 5 years and renewable every five years. In addition, the applicant is pursuing additional off-site, valet parking arrangements with the Harbour Centre parking garage, which is across Eaton Street from the subject site.</p>
<i>Schools</i>	<p>The Traffic Engineer has determined that the proposed project will not generate any substantial traffic volumes.</p> <p>The proposed development will not impact existing school capacity.</p>
<i>Environmental</i>	<p>The existing site is currently developed and additional environmental impacts are not anticipated with the proposed redevelopment. The current amount of open space/green area will be retained and not reduced.</p>
<i>Utilities</i>	<p>Utilities exist on site to serve this new hotel use.</p>

Analysis

The proposed development is located on a 0.53 ± acre parcel located at 132 East Queen Street. The site contains a vacant United States Post Office building, most recently reused as a restaurant. In 2006, Mr. Rajesh Randeiria of Aniesh Corporation purchased the existing building from the City of Hampton with intent to redevelop the site for a boutique style hotel use.

The development of a *boutique style* hotel in Downtown is consistent with The Hampton Community Plan (2006, as amended). As defined by the hotel industry, boutique hotels are generally exclusive hotels that cater to affluent clientele with an exceptional level of service at premium prices. These types of hotels also differentiate themselves from larger chain/brand hotels and motels by providing personalized accommodation and services. Siting this type of hotel project at this location will ultimately be an enhancement to Hampton's tourism industry and serve to complement the eclectic lifestyle envisioned for Downtown.

The Old Post Office building was constructed in 1914. Encouraging the restoration and adaptive reuse of an existing historic building is consistent with the Community and Downtown Master Plans. The restoration of this obsolete and under utilized building will help preserve the essential historic features that define Downtown Hampton's history. As part of the *Purchase Agreement*, the purchasee has agreed to certain development and design criteria, which includes limitations on use, interior and exterior architectural and design guidelines in conformance with the *Downtown Master Plan* and the Request for Proposals (RFP) response. The applicant intends to seek a historic designation for the existing building to enable the overall project to qualify for historic tax credits.

The redevelopment of this site into a boutique hotel will also help spur economic development in Downtown, diversify its tax base, and serve as a catalyst for future strategic investments, revitalization and community building. Reusing an outdated and underutilized facility within the urban core as a hotel has the potential to attract high-end clientele, who will more likely patronize Downtown restaurants, shops, Museums, and the waterfront and more importantly add to its vitality. Locating this new development in Downtown is consistent with Hampton's policy of transforming Downtown into an entertainment and cultural destination of choice.

Siting this facility at this location also lends itself to support the city's objectives of transforming the intersection of Eaton Street and Settlers Landing Road into a Gateway befitting Downtown. The proposed new 5-story hotel will front both Queen and Eaton Streets.



Aerial View of proposed new 5-Story hotel

Enabled by a parking variance, parking for the proposed hotel will be handled off-site through a combination of shared parking and leased parking spaces. This strategy is duly supported by citywide policy of shared parking within the urban downtown environment, which helps reduce excess pavement and stormwater run off.

Since the mid 2000's all efforts to reuse this vacant building for commercial purposes have proved futile. Zimmerman/Volk Associates Retail Market Analysis show a potential market for new residential structures within Downtown. Developing this new hotel will help complement this anticipated growth and revitalization process and help increase city tax base.

Staff recommends approval of this application with eight (8) conditions.

Architectural Design:

1. The building design and materials shall be in conformance with the approved (5/8/2008) elevations, entitled "Proposed 67 Room Hotel," prepared by Professional Design Associates, and dated 5/2/2008.
2. The applicant shall screen any exterior mechanical equipment, including generators, on the roof with a parapet wall or pitched roof treatment, and ground level equipment, including generators and dumpster enclosures with a combination of solid walls and landscape plantings. The screen wall shall be consistent and compatible with the building materials of the primary structure (i.e. brick, stone, concrete) and have decorative metal gates for access.

Site Design:

3. The site design shall be in conformance with the submitted conceptual site plan, entitled "Post Office Hotel," prepared by CAE, Inc., and dated 12/2/2008.
4. All site lighting, excluding signage, shall be downward and inward focus to avoid spill over and light pollution on neighboring properties.

Operation:

5. Length of stay for all guest rooms shall be limited to thirty (30) days; no commercial apartments shall be permitted within the site.
6. The use of the basement level shall be limited to operational type services related to supporting the hotel use (e.g. laundry, storage, etc.).
7. The hotel shall at all times keep and maintain a register, in which the name(s) and home address of each guest(s) and times of check-in and check-out is recorded. Said register shall be kept at all times open to the inspection of code compliance officials and police officer of the City.
8. In accordance with Section 20-4.1 of the Zoning Ordinance, this Use Permit shall expire and become null and void if new construction has not been completed within two (2) years of the issuance of Use Permit and/or once occupied the property is not used for its permitted purpose for a continuous two (2) year period.