

ZONING CHANGE REVIEW SHEET

CASE: C14-2012-0123
The Paloma

P.C. DATE: November 27, 2012

ADDRESS: 1123 E. 11th Street

AREA: .1647 acres

OWNER/AGENT: 1123 Partners (Mark Vornberg)

FROM: Commercial- liquor sales- neighborhood conservation combining district
neighborhood plan (CS-1-NCCD-NP) combining district zoning

TO: Commercial- liquor sales- neighborhood conservation combining district-
neighborhood plan (CS-1-NCCD-NP) combining district zoning
(*Changing a condition of zoning: to add Hotel-Motel land use as a Permitted
land use on this site.*)

AREA STUDY: East 11th Street Neighborhood Conservation Combining District (1991)

WATERSHED: Waller Creek

DESIRED DEVELOPMENT ZONE: Yes

CAPITOL VIEW CORRIDOR: No

SCENIC ROADWAY: No

NEIGHBORHOOD PLAN AREA: Central East Austin

SUMMARY STAFF RECOMMENDATION:

Staff recommendation is to grant the following changes to the conditions of the existing
Commercial- liquor sales- conditional overlay- neighborhood conservation combining
district- neighborhood plan (CS-1-CO-NCCD-NP) combining district zoning:

1. Allow Hotel-Motel land use as a Conditional land use on the site.
2. Outdoor entertainment is prohibited as an accessory use to Hotel-Motel land use.
3. Hotel-motel land use is prohibited from any waivers or variances to the number of
required parking spaces.

ISSUES

The subject property is located within the boundaries of the East 11th Street Neighborhood
Conservation Combining District (NCCD) and the Urban Renewal Plan (URP) for the East
11th and 12th Street Urban Renewal Area. The proposed changes require modification of, and
compliance with, both the NCCD and URP. These modifications are being processed
concurrently by Planning & Development Review (PDR) and Neighborhood Housing &
Community Development (NHCD) staff. If there are conflicting requirements between the
NCCD and URP, the more restrictive is applied.

PLANNING COMMISSION RECOMMENDATION:

November 27, 2012: *RECOMMENDED TO GRANT CS-1-NCCD-NP ZONING WITH CONDITIONS AS RECOMMENDED BY STAFF, ON CONSENT (8-0) [CHIMENTI; HATFIELD 2ND] (8-0-1) ROARK ABSENT.*

DEPARTMENT COMMENTS:

The subject property is located on the south side of East 11th Street, between Waller Street and Lydia Street. The property is located in Subdistrict 1 of the East 11th Street NCCD, which was adopted by the City in 1991 (Ord. 910620-C). A map of the NCCD and list of land uses permitted in this subdistrict are attached for review (Exhibits A & B – NCCD Map & Subdistrict 1 Permitted Land Uses). The property is located within the Central East Austin Neighborhood planning area, but the FLUM defers to the NCCD and URP for land use guidance. The property is a single lot that has been partially developed for several years. The applicant has stated that the property was originally intended to be a mixed use office/residential development derailed by market pressures.

All properties in this area of E. 11th have the same CS-1-NCCD-NP zoning as the subject tract. Immediately to the west of the subject tract are a residence and a restaurant, then offices. The properties across E. 11th to the north also are zoned CS-1-NCCD-NP, and are occupied by a restaurant and community open space owned by the City of Austin. Properties to the west of the subject tract are zoned CS-1-NCCD-NP, and are occupied by a liquor store and bar. To the south are properties zoned SF-3-NP, SF-3-H-NP, and MF-2-NP. These properties are used as residential and multifamily, respectively. The residential properties will trigger compatibility for the subject tract; no waivers or variances from compatibility are being requested (Exhibits C & D – Zoning Map & Aerial Map).

With this zoning request, the applicant proposes to develop the subject property with a three-story hotel with a small restaurant and an onsite-management residence. The applicant has met with Robertson Hill Neighborhood Association (RHNA), Guadalupe Area for an Improved Neighborhood (GAIN) and Organization of Central East Austin Neighborhoods (OCEAN). RHNA and OCEAN expressed no objections, but GAIN expressed concerns related to alcohol sales, outdoor music, and other items. The applicant is working with GAIN to address these concerns (Exhibit E – Applicant Materials).

EXISTING ZONING AND LAND USES:

	ZONING	LAND USES
<i>Site</i>	CS-1-NCCD-NP	Vacant
<i>North</i>	CS-1-NCCD-NP	Restaurant, City of Austin property/open space
<i>South</i>	SF-3-NP, SF-3-H-NP, MF-2-NP	Residences, multifamily
<i>East</i>	CS-1-NCCD-NP	Liquor store, bar
<i>West</i>	CS-1-NCCD-NP	Residence, restaurant, offices

ABUTTING STREETS:

Name	ROW	Pavement	Class	Sidewalk	Bus Route	Bike Route
E 11 th Street	60'	40'	Minor Arterial	Yes	482- Night Owl East 2- Rosewood	Yes
Alley	20'	16'	Alley	N/A	N/A	N/A

TIA: Not Applicable

CASE HISTORIES:

No zoning cases have been filed in the project vicinity since the establishment of the NCCD in 1991.

RELATED CASES:

SP-03-0425C was approved on the site in 2004 for a mixed use development that included office and residential land uses.

NEIGHBORHOOD ORGANIZATIONS:**SCHOOLS:**

Mathews Elementary School

O Henry Middle School

Austin High School

CITY COUNCIL DATE:

January 17, 2013: *POSTPONEMENT TO JANUARY 31, 2013 BY STAFF: APPROVED ON CONSENT. [MORRISON; SPELMAN, 2ND] (6-0-1) LEFFINGWELL ABSENT.*

January 31, 2013:

ACTION:

ORDINANCE READINGS: 1st 2nd 3rd

ORDINANCE NUMBER:

CASE MANAGER: Heather Chaffin
e-mail: heather.chaffin@austintexas.gov

PHONE: 974-2122

SUMMARY STAFF RECOMMENDATION:

Staff recommendation is to grant the following changes to the conditions of the existing Commercial- liquor sales- conditional overlay- neighborhood conservation combining district- neighborhood plan (CS-1- CO- NCCD-NP) combining district zoning for the subject tract:

1. Allow Hotel-Motel land use as a Conditional land use on the site.
2. Outdoor entertainment is prohibited as an accessory use to Hotel-Motel land use.
3. Hotel-motel land use is prohibited from any waivers or variances to the number of required parking spaces.

Staff recommends the hotel-motel use be Conditional instead of Permitted for a variety of reasons. Although the applicant intends to develop a boutique-style, high quality project, zoning goes with the land, not the developer. If the property changes hands, there is no assurance that a comparable quality hotel-motel project would be built. Neighborhood representatives and individuals have expressed concern that motels offering hourly rates not be allowed to enter their community. The Conditional Use permitting process will require notification at time of site plan, as well as Planning Commission approval.

BASIS FOR LAND USE RECOMMENDATION (ZONING PRINCIPLES)

1. The proposed zoning should be consistent with the purpose statement of the district sought.

Staff believes the addition of Hotel-Motel land use meets the intent of the NCCD, which was created with the following goals and strategies:

“... to create a unified land development policy tailored to the redevelopment of the blighted, economically depressed East 11th Street Business District, ...by allowing a high intensity use. The purpose of this District is to establish the economic infrastructure within a specifically defined corridor to encourage investment in East Austin...

The East 11th Street Business District is seen as an area which allows a transition from the dense urban core to the residential communities on the periphery of the Central Business District. This area is perceived as a Downtown Mixed Use zone (DMU) in the context of a contained commercial corridor as described by the NCCD boundaries.

Projects which foster a managed increase in density, commensurate with the transitional qualities of a mixed use transitional zone, will be given a favorable review... “

2. Zoning changes should promote compatibility with adjacent and nearby uses and should not result in detrimental impacts to the neighborhood character.

Development on the property will be required to comply with the compatibility requirements triggered by adjacent residential properties to the south. The addition of Hotel-Motel use, developed as part of a Conditional Use Permit, offers an opportunity to add a positive impact to the East 11th Street corridor, physically, socially, and economically.

Transportation

TR 1.

Existing Street Characteristics:

Name	ROW	Pavement	Classification	Daily Traffic City of Austin traffic counts:
E 11 th ST	60'	40'	Minor Arterial	7973*
Alley	20'	16'	Alley	-

*ADT Count taken on 06/26/2006

TR 2. No additional ROW is required at this time for E 11th ST.

TR 3. A traffic impact analysis was not required for this case because the traffic generated by the proposed zoning does not exceed the threshold of 2,000 vehicle trips per day [LDC, 25-6-113].

TR 4. There are existing sidewalks along E 11th ST.

TR 5. Following table shows 2009 Bicycle Plan recommendations for the boundary streets for this parcel:

Street Name	Existing Bicycle Facility	Recommended Bicycle Facility
E 11 th ST	Bike Lane	Bike Lane

Environmental

1. The site is not located over the Edwards Aquifer Recharge Zone. The site is located in the Ladybird Lake Watershed of the Colorado River Basin, which is classified as an Urban Watershed by Chapter 25-8 of the City's Land Development Code. It is in the Desired Development Zone.

2. Impervious cover is not limited in this watershed class; therefore the zoning district impervious cover limits will apply.

3. This site is required to provide on-site structural water quality controls (or payment in lieu of) for all development and/or redevelopment when 5,000 s.f. cumulative is exceeded, and detention for the two-year storm. At this time, no information has been provided as to whether this property has any pre-existing approvals which would preempt current water quality or Code requirements.

4. According to flood plain maps there is no flood plain within the project area.

5. Trees will likely be impacted with a proposed development associated with this rezoning case. Please be aware that an approved rezoning status does not eliminate a proposed development's requirements to meet the intent of the tree ordinances. If further explanation or specificity is needed, please contact the City Arborist at 974-1876. At this time, site specific information is unavailable regarding other vegetation, areas of steep slope, or other environmental features such as bluffs, springs, canyon rimrock, caves, sinkholes, and wetlands.

6. Standard landscaping and tree protection will be required in accordance with LDC 25-2 and 25-8 for all development and/or redevelopment.

Site Plan

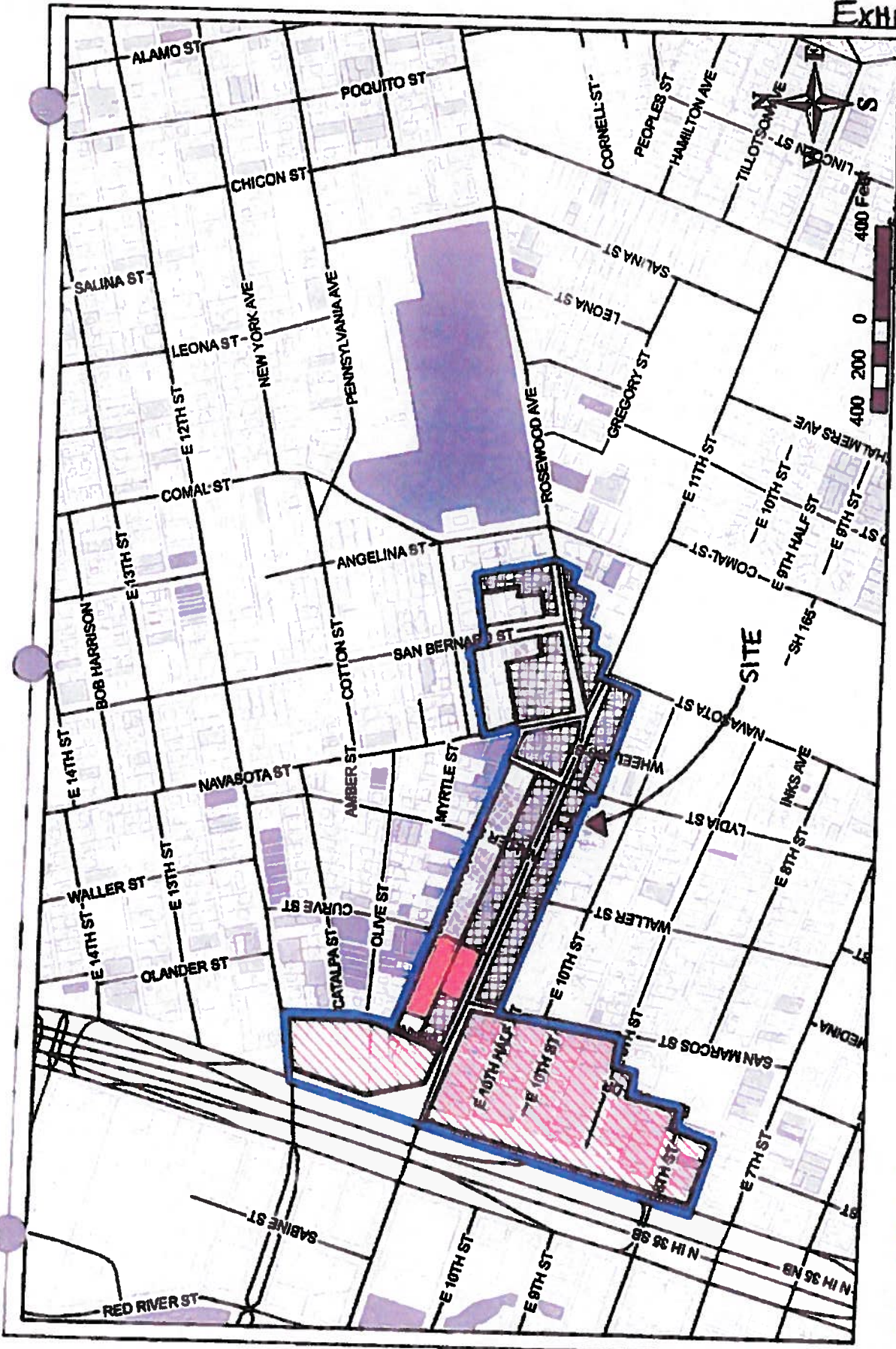
SP 1. Site plans will be required for any new development other than single-family or duplex residential.

SP 2. Compliance with Subchapter E is required, except where it conflicts with the NCCD.

Water / Wastewater

The site is currently served by City of Austin water and wastewater utilities. If redeveloped the landowner, at own expense, will be responsible for providing any water and wastewater utility improvements, offsite main extensions, utility relocations and or abandonments required by the land use. Water and wastewater utility plans must be reviewed and approved by the Austin Water Utility for compliance with City criteria. All water and wastewater construction must be inspected by the City of Austin. The landowner must pay the City inspection fee with the utility construction. The landowner must pay the tap and impact fee once the landowner makes an application for a City of Austin water and wastewater utility tap permit.

EXHIBIT A



East 11th Street NCCD

NHCD August 2008

-  Sub District 1
-  Sub District 2
-  Sub District 3
-  Sub District 4

EXHIBIT B

PERMITTED AND CONDITIONAL USES WITHIN SUBDISTRICT ONE

PERMITTED USES

COMMERCIAL USES

Administrative and Business Offices
Arts and Crafts Studio (Limited)
Arts and Crafts Studio (General)
Business Support Services
Communications Services
Consumer Convenience Services
Consumer Repair Services
Financial Services (no drive-thru)
Food Sales
Funeral Services
General Retail Sales (Convenience)
General Retail Sales (General)
Indoor Sports and Recreation
Indoor Entertainment
Laundry Services
Liquor Sales
Medical Offices
Outdoor Sports and Recreation
Personal Improvement Services
Personal Services
Pet Services
Professional Offices
Research Services
Restaurant (Fast Food) (no drive-thru)
Restaurant (Limited)
Restaurant (General)
Service Station
Commercial Parking Facilities

CIVIC USES

Club or Lodge
Cultural Services
Guidance Services
Hospital Services (Limited)
Local Utility Services
Community Parking Facilities
Religious Assembly
Safety Services

RESIDENTIAL USES

Townhouse/Condominium Residential (no street level units)
Multiple Family Residential (18 to 27 units per acre) (no street level units)

*Those properties which are located within the Kealing and Blackshear Urban
Renewal Plans shall be restricted to the uses designated within those plans.

CONDITIONAL USES

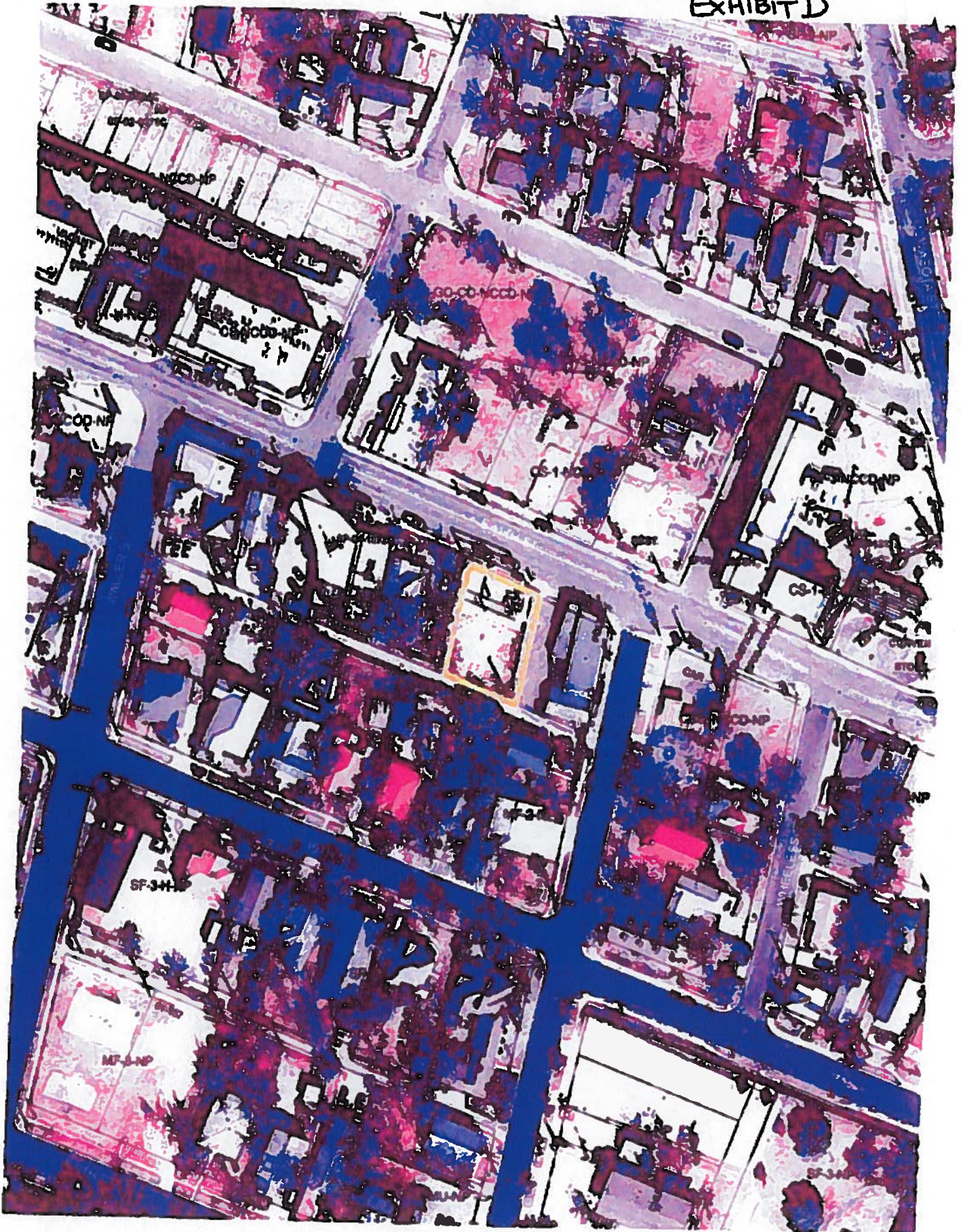
COMMERCIAL USES

Automotive Rental
Automotive Sales
Automotive Washing
Building Maintenance Services
Business or Trade School
Cocktail Lounge
Transportation Terminals

CIVIC USES

Community Recreation
College & University Facilities
Communication Service Facilities
Day Care Services (General)
Day Care Services (Limited)
Day Care Services (Commercial)
Private Educational Facilities
Public Educational Facilities

EXHIBIT D



Current Site Conditions



Existing skeleton has sat unfinished over 4 years

1123 East 11th Street
Mark & Shelly Vornberg

EXHIBIT E

Proposed Project

•Currently Zoned: CS-1-NCCD-NP:

- CS-1 zoning is one of the broadest categories available for commercial property (downtown is the only zoning denser)

•Requesting to Make “Hotel” an Allowable Use Under the NCCD and the 11th & 12th Street Urban Renewal Plan for Our Lot Only:

- No change in size to be built
- No change to total area or density
- Requested change is only for our 70 foot x 100 foot lot, no adjacent properties affected
- Parking will be provided per code including our 10 parking spaces in the rear and 5 spaces allocated in the community lot

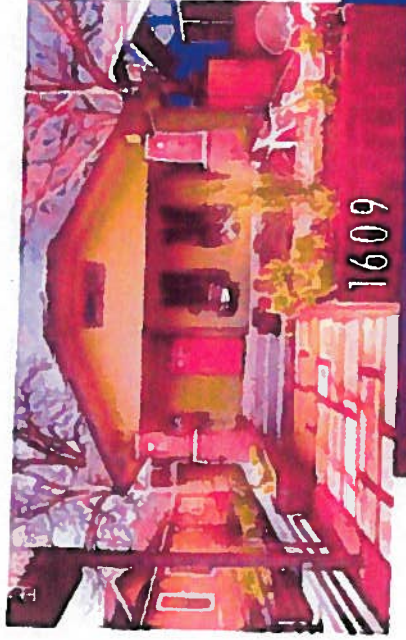
•Our Proposed Project:

- A three-story hotel of about 14 rooms with a small cafe counter for coffee, beer & wine, and light snacks (not a full restaurant)
- Small garage apartment in back of lot so we can reside on site
- Shelly will be hotel manager and run the day-to-day operations (Mark will keep his day job)
- We want the hotel to be contemporary and clean but with a personality of a family-run business

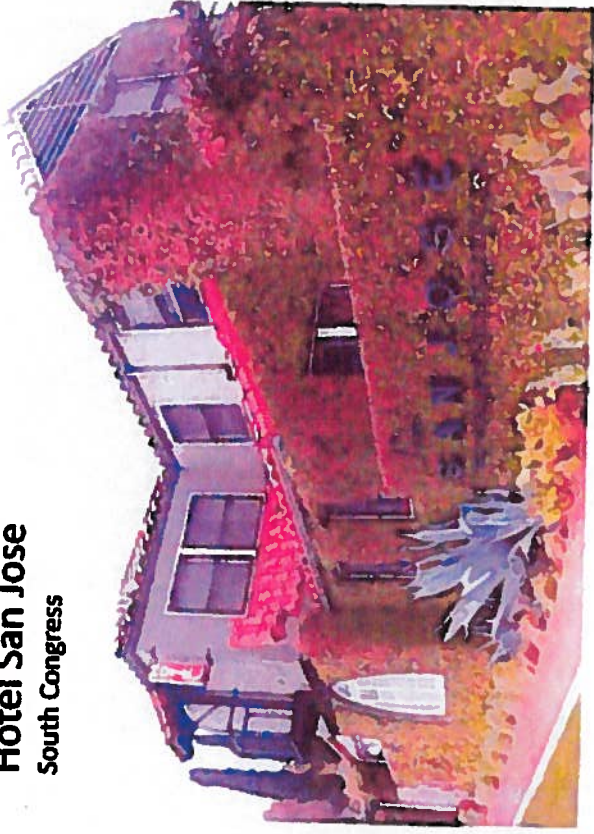
1123 East 11th Street
Mark & Shelly Vornberg

Examples of Successful Hotels on the Edge of Austin Neighborhoods

Heywood Hotel
Cesar Chavez St.



Hotel San Jose
South Congress



Benefits of Our Hotel Project:

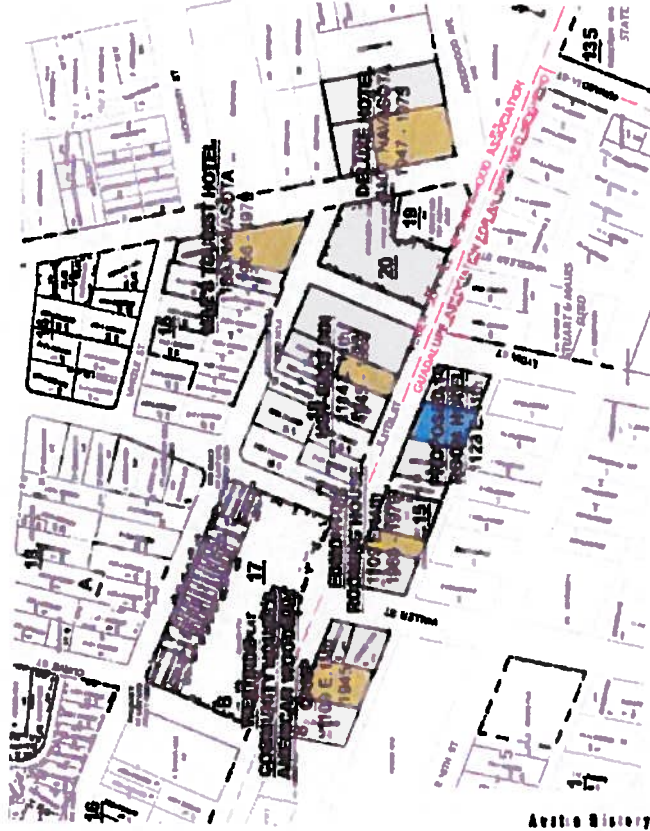
- Family owned, local business
- Hotel's business concerns are aligned with a neighborhood, particularly regarding noise
- Encourages pedestrian activity
- Support other neighborhood businesses
- Brings additional people to experience the East side



1123 East 11th Street
Mark & Shelly Vornberg

Historic Precedent

Deluxe Hotel: 1947-75 at 1101 Navasota
Hot Shot Inn: 1945-59 at 1114 E 11th
Edmonton Rooming House: 1969-79 at 1109 E 11th
Angelina Hotel: 1960-71 at 1322 East 12th
Mae's Tourist Hotel: 1966-79 at 1160 Navasota
Westside Community House: (1945) later
 American Woodman Camp. No 3
 (same address as the Grand Lodge)



Austin History Center

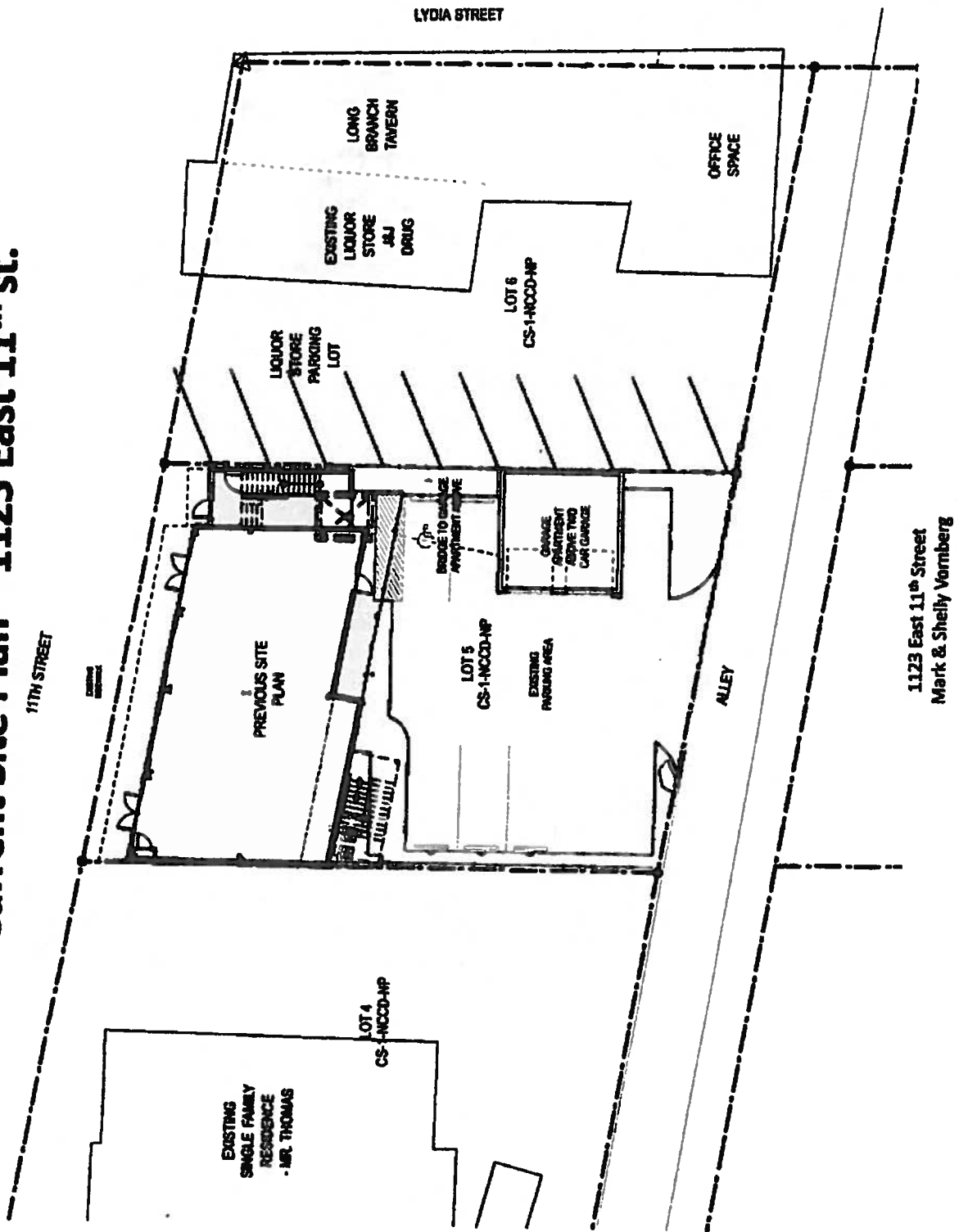


"The first time I came to Austin to play, we stayed at a little hotel over at Navasota and 11th, the Deluxe Hotel," recalls Patterson.
 "And here was the show. We were all on the bus: Bobby Blue Bland, B.B. King, Etta James, Hank Ballard & the Midnighters, the Five Royales, Little Willie Jones, and Big Mama Thornton."

An excerpt from: "Spinning Yarns," The Texas Trumpet, Nov. 19, 1999

1123 East 11th Street
 Mark & Shelly Vornberg

Current Site Plan - 1123 East 11th st.



**1123 East 11th Street
Mark & Shelly Vornberg**



1123 East 11th Street
Mark & Shelly Vornberg

Listening To Concerns From Neighbors

•Concerns from Adjacent Neighbors (two neighbors on E. 10th Street):

- Privacy: we've addressed privacy concerns with a separate previous agreement
- Noise & Alcohol - issues being addressed through GAIN (see below)



View of Alley from 2nd floor toward 10th Street

•Concerns Regarding Development on 11th Street in General (two neighbors):

- Gentrification - we will be a very inclusive hotel and neighborhood oriented
- Parking Concern - Parking will be provided per code including out 10 spaces on the lot as well as 5 spaces allocated in the community lot

•Concerns Raised by GAIN:

- Generally supportive of our proposal with specific requests
- We agree to a conditional use for the hotel for:
 1. no late hours alcohol permit;
 2. no hard alcohol permit
 3. no outdoor music permit
- We are concerned about their requests to:
 - make garage apartment owner-occupied or long-term rental only,
 - limiting all potential views from decks, balconies, and windows toward any single family property
- We are currently working with GAIN to address these concerns

•No Concerns Raised by OCEAN or Robertson Hill Neighborhood Association

1123 East 11th Street
Mark & Shelly Vornberg

Positive Neighbors Experience on Heywood Hotel, East Cesar Chavez

Neighbors experience with the Heywood Hotel:

One of the neighbors asked what property owners around the Heywood Hotel's experience was like because it opened less than a year ago. We talked with the neighbors around The Heywood Hotel to get their experience and found that it has been extremely positive. See attached letter.



Hi Mark and Shelly:

I am writing in response to your inquiry about my experience as a resident living directly behind the new Heywood Hotel at 1609 Cesar Chavez Street. The owners of the hotel, Kathy Setzer and George Reynolds, did quite a bit of outreach before building the hotel, to establish themselves and their business plan among the residents and businesses in the area. Due to this initial communication, we were not concerned when they started "breaking ground" and felt connected as we watched the big changes at the site. The work they did took a lot longer than they expected due to strict city requirements to preserve the integrity of nearby trees and meet all the requirements for safety, sidewalks, and off-street parking. We were pleased to be included in updates about the progress of the building of the hotel by way of fun postings on their Facebook site. We never felt the building noise/commotion were any more than could be expected. The hotel opened in January 2012 and we were happy to be included in the invitation to the hotel's grand opening reception. I continue to read news about the hotel on their Facebook site, which also includes interesting information about events and reviews of restaurants in the neighborhood. I feel they have become an asset to the neighborhood and we have had no problem or reports of problems with loud or unruly guests or parking into the neighborhood. These are problems we do feel coming periodically from a bar and the shops at the corner of Comal and Cesar Chavez Streets, both unruly patrons and excessive street parking. Based on our experience, we would say that having a small "boutique hotel" in the neighborhood has been a very favorable addition.

Edie Cassell

East Cesar Chavez Planning Team Sector Representative
1611 Willow Street

1123 East 11th Street
Mark & Shelly Vornberg

GAIN- Guadalupe Association for an Improved Neighborhood
1111 East 8th Street - Austin, Texas 78702
512-472-1307

November 19, 2012

Re: 1123 East 11th Street

Dear Urban Renewal Board Members:

I write to inform you that, at this time, the Guadalupe Association for an Improved Neighborhood (GAIN) opposes the request for an amendment to the East 11th Street NCCD and Urban Renewal Plan that would add Hotel-Motel as a conditional use. Whereas the majority of neighbors feel a boutique hotel, especially if it is owner-operated by the prospective owners, Mark Vornberg and Shelly Leibham, no one knows how to write specific people into a zoning ordinance. So, even though Vornberg and Leibham have verbally agreed to a number conditions requested by the most significantly impacted adjacent owners of single-family property, the most important of these conditions have not been agreed to in any formal manner.

We appreciate the fact that the prospective owners and City staff have proposed that hotel-motel would be a conditional use and that outdoor entertainment and parking variances will not be allowed, several other issues still need to be resolved.

The most important of these is that the new use will intrude upon the privacy of the adjacent single-family residents. The idea that a constantly changing flow of visitors, all of whom would naturally desire to see what's out there, might have decks and windows that would give visual access into the homes and yards of the nearby residents is unsettling. It was for this reason that the current owners, including Mr. Vornberg, were willing to place some design controls, related to building height, windows and roof decks, into an agreement for previous plans. Unfortunately, Mr. Vornberg and his partners have not agreed to put the same controls into an agreement that would be applied to the newly proposed hotel/motel use.

Until such a time as conditions related to height, windows and roof decks are placed into an agreement between the owners of 1123 and the adjacent single-family owners and GAIN, the neighborhood association is in opposition to the proposed additional use.

Sincerely,



Mark C. Rogers, Secretary
Guadalupe Association for an Improved Neighborhood