

September 14, 2004

**Honorable Chairman and Members of the
Hermosa Beach Planning Commission**

**Regular Meeting of
September 21, 2004**

SUBJECT: PRECISE DEVELOPMENT PLAN 04-16
 CONDOMINIUM 04-15

LOCATION: 200 PIER AVENUE

APPLICANT: NICK SHAAR
 800 MANHATTAN BEACH BLVD
 MANHATTAN BEACH, CA 902664

REQUESTS: PRECISE DEVELOPMENT PLAN, CONDITIONAL USE PERMIT AND VESTING
 TENTATIVE TRACT MAP NO. 061290 FOR AN 18,648 SQUARE FOOT
 COMMERCIAL BUILDING CONTAINING 54 COMMERCIAL CONDOMINIUM
 UNITS.

Recommendation

To approve the project subject to conditions as contained in the attached resolution.

Background

ZONING:	C-2 Restricted Commercial
GENERAL PLAN:	General Commercial
LOT SIZE:	17,559 Sq. Ft.
PROPOSED BUILDING SIZE:	18, 648 Gross Square Feet
FLOOR AREA RATIO:	1.06
REQUIRED PARKING:	56 Spaces
PARKING PROVIDED:	56 Spaces
ENVIRONMENTAL DETERMINATION:	Negative Declaration (recommended)

The subject site is a prominent downtown location on south side of Pier Avenue at its intersection with Manhattan Avenue. The existing three-story building on the site is a commercial building occupied predominantly by professional offices. It contains approximately 12,500 square feet and 42 rental units, with 44 parking spaces. The building was constructed in 1962 and is proposed to be demolished for this project.

The Staff Environmental Review Committee, at meetings held July 8, and August 26, 2004 considered the environmental impacts of the project. Based on the initial study check-list, and the traffic and parking impact study (attached), the Committee recommended an Environmental Negative Declaration, with further recommendation that conditions be included in project approval to not allow medical clinics, and that the parking spaces be shared in common--with no assigned parking for the condominium units.

Analysis

The project involves the construction of a commercial building complex, containing over 18,000 square feet in four buildings, connected by a two-level parking structure. The buildings will contain 54 commercial condominiums containing 333 square feet each. The buildings are

designed to maximize the number of commercial units with direct street frontage on Pier Avenue or Manhattan Avenue, and to maximize westerly ocean views. This is achieved by locating the parking towards the east and southerly property lines, so the commercial buildings front on the major streets, and by stepping the buildings to follow the slope to take advantage of ocean views. The project is organized in four buildings to create an “office campus” with a contemporary style, with standing seam metal roofs, smooth plaster and wood exterior finishes, exposed beams, and open deck areas with decorative railings. The elevations also show the varying relief and fenestration in the building facades.

PRECISE DEVELOPMENT PLAN

Pursuant to Chapter 17.58 a Precise Development Plan is required because of the new construction. The PDP review requirements are conformance with minimum standards of the zone, and general review of the project relating to compatibility with surrounding uses.

The project meets the basic zoning requirement of the C-2 zone, as a 5-foot setback is provided adjacent to the residential property to the south, and the building is designed to comply with the 30-foot height limit at the critical points on the roof, as shown on the roof plan. The proposed exit stairs and cellular antenna proposed along the south property line, however, cannot be allowed in the required 5-foot yard. Parking issues are discussed below. Beyond these basic standards, the project plans show a substantial improvement that will help revitalize upper Pier Avenue and a prominent location in the City’s downtown, while providing lower profile buildings than the existing three-story development. Commercial use of this type, which will predominantly be professional office uses, is certainly compatible with surrounding uses, and consistent with the general objectives of the City Council to balance the existing restaurant and bar uses with office and retail uses.

The plans also depict locations for wireless antenna. A separate C.U.P. application will have to be submitted and approved to give final approval for these antennae. Staff does not support the location proposed within the required yard along the south property line adjacent to residential uses.

TRAFFIC AND PARKING

Vehicle access to the site will be from Manhattan Avenue to access the lower level of the parking garage and from the alley (Bay View Drive), to access the upper level. Each level will contain 28 parking spaces. An existing curb cut will be eliminated on Pier Avenue adding up to five public parking spaces.

The traffic analysis submitted by the applicant clearly shows that the impacts of the proposed project are insignificant as compared to the current use of the site. The project is expected to generate a net increase of 6 vehicle trips during the AM and PM peak hours, and a net increase of 40 vehicle trips on a typical weekday based upon the building occupancy. It is further concluded that no significant traffic impacts are forecast for the nearby study intersections.

Based on the current parking ratio proposed for the downtown district of 3 spaces per 1,000 square feet of office or retail space, the proposed 18,648 square foot building requires 56 parking spaces pursuant to Section 17.44.040 pertaining to parking requirements for the downtown.¹ The applicant is proposing 56 spaces in two levels of parking. The parking requirements based on gross floor area are the only applicable requirements for this project, regardless of the form of ownership, since no separate requirements in the code address commercial condominiums. This method of calculating required parking assumes that parking is available in common and will be shared amongst all legitimate users of the building. If any of the parking is taken out of the pool

of common parking by being assigned to a specific owner or tenant, it would preclude others from using that space thereby diminishing parking for all building users.

Also, the applicant has submitted a parking analysis prepared by Linscott, Law and Greenspan to address the issue of office condominiums. According to this separate analysis, the office condominiums will be marketed to sole proprietors, seeking the benefits of owning versus leasing office spaces. The assumption is that these will be non-medical professional offices and businesses. With an assumed 90% occupancy rate, and a visitor rate of one per 5 businesses the total demand would be 53 spaces. Due to the unique size of the condominium units proposed for this project, the traffic engineer was unable to find comparable buildings to base this analysis. By assigning a portion of the demand to visitors, this analysis also assumes that the parking will be in a common available parking facility with no assigned parking. This separate analysis is only speculation at this time, and the City must rely on the parking standards related to gross square footage.

Also, it should be noted the addition of five public on-street parking spaces will help to mitigate the possible increase of parking demand on the street during peak use of the commercial building. Further the peak use of the project will typically be during the daytime on weekdays, when the supply of public on-street parking is at its highest. In addition some of the common areas such as the proposed locker room and the conference room, totaling 670 square feet, will not contribute to the parking demand, but are included in the gross floor area parking calculation.

COMMERCIAL CONDOMINIUMS

The condominium form of ownership for commercial buildings is subject to the requirements as set forth in Section 17.22.080 through 17.22.140 of the Zoning Ordinance, including the requirement for a Conditional Use Permit. Also, it requires the approval of a condominium tract map. The guidelines are similar to those required for the Precise Development Plan, with the additional requirement that Covenants Codes and Restrictions (CC&R's) be included in the project to "ensure that potential problems resulting from lack of continuous and centralized management, do not impact upon the public health, safety and welfare." Specific provision to be included in the CC&R's are set forth in Section 17.22.120.

The project is designed to contain 54 small ownership units, of 333 square feet each. The target market for buyers will be local residents who are sole proprietors who operate business within the area, and/or work out of their homes. Whether this projected ownership profile will be realized, however, is only speculation. A larger business may wish to purchase several units, or an investor may purchase units to lease to start-up businesses. Another scenario is that the units may all be sold to one entity, and the building may be operated as a more traditional office space, with centralized management. (This was the result of the City's only other commercial condominium project on 2200 P.C.H²). Approval of the condominium tract map will make condominium sales an option for the developer, but certainly does not require or guarantee that each individual unit will be sold to separate "sole proprietors".

If approved, staff recommends the following conditions of approval in addition to standard conditions for commercial projects and condominiums:

1. The location and installation of wireless communication facilities are subject to review of a Conditional Use Permit pursuant to Section 17.46.240.
2. All available parking shall be shared amongst the occupants of the buildings on site, and owned in common, which shall be clearly set forth in project CC & R's, and no parking spaces shall be assigned for exclusive use by any owner, occupant, or tenant.
3. CC&R's must be submitted for review and approval by the City.
4. A 5-foot setback, clear from ground to sky, must be provided along the south property line.
5. Tree planting and accent landscaping in the pedestrian entry on Pier Avenue.
6. Provision of a minimum of 7 street trees and tree grates on the Pier Avenue sidewalk as approved by the Public Works Department, or deposit of funds in an amount to cover the cost of the City doing the improvement in accordance with the Downtown Implementation Plan.
7. Provision of 4 street trees on Manhattan Avenue
8. Decorative paving surfaces for the pedestrian entry, and entries into the parking areas.
9. Any changes to the interior layout of the building require Planning Commission approval.
10. Provision of a decorative block wall along southerly property line adjacent to residential uses.

CONCUR:

Ken Robertson
Senior Planner

Sol Blumenfeld, Director
Community Development Department

Attachments

1. Proposed Resolution
2. Location Map
3. Traffic and Parking Study
4. Initial Study Checklists
5. Photos
6. Correspondence

¹ This is based on the revised section 17.04.040 that reduced the parking requirement in the downtown area for retail and office uses from 4 to 3 spaces per 1,000 square feet as approved by the Coastal Commission and adopted into the Municipal Code by the City Council on February 24, 2004. Based on the Coastal Commission's approval, this reduced requirement is in effect for 3 years unless the City conducts further parking studies to justify this lower standard.

² The project constructed in 1981-82 contains 31 office condominium units, with an average size of 700 square feet, all are currently owned by the same owner, and the units are rented out under centralized management.