

February 3, 2005

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

**Regular Meeting of
March 15, 2005**

CONTINUED FROM FEBRUARY 15, 2005

SUBJECT: GENERAL PLAN AMENDMENT 05-2
ZONE CHANGE 05-2

LOCATION: 722 FIRST STREET

APPLICANT: MAR VENTURES
2050 W. 190TH STREET
TORRANCE, CA 90504

REQUEST: GENERAL PLAN AMENDMENT FROM COMMERCIAL CORRIDOR TO
MEDIUM DENSITY RESIDENTIAL AND ZONE CHANGE FROM
COMMERCIAL SPA-7 TO R-2 TWO-FAMILY RESIDENTIAL

Recommendation:

Direct staff as deemed appropriate from the following alternatives:

1. Deny the requested General Plan Amendment, and Zone Change by adopting the attached Resolution.
2. Recommend approval of the requested General Plan Amendment and Zone Change, and staff will return with a resolution at the next meeting.

Background:

SITE INFORMATION

GENERAL PLAN:	Commercial Corridor
ZONING:	SPA-7
DEPTH FROM P.C.H.:	130 to 190 Feet
SITE AREA:	4,502 Square feet
EXISTING USE:	Vacant Lot
UNITS ALLOWED IF R-2 ZONE:	2
ENVIRONMENTAL DETERMINATION:	Negative Declaration Recommended (Initial Study on file)

The subject property is located on the south side of First Street immediately west of the commercial building at 7 PCH which until recently had been occupied by Coast Glass. The lot backs up to the south city boundary. The property contains no connection to the P.C.H. frontage property, which is under separate ownership. The lot is currently vacant, and the City's records show a residential structure formerly occupied the site but was demolished in 1961. More recently the property was commercially used for storing vehicles, associated with the former Vasek Polak Porsche / Audi / Volkswagon dealership and repair business. The property to the north across First Street also is designated Commercial and zoned SPA-7, and contains a commercial use (The Holiday Inn Express). The depth of the commercial designation from P.C.H. of 190 feet aligns with the commercial depth across the street. Abutting property to the west is designated Medium Density Residential and zoned R-2, and is currently developed with a

mix of multi-family residential uses. Abutting property to the south, located in Redondo Beach, is the parking lot for the multi-tenant office/retail development that fronts on P.C.H.

The Staff Environmental Review Committee, at their meeting of January 6, 2005, recommended an environmental negative declaration for the proposed General Plan Amendment/Zone Change, based on the initial study.

Analysis

The applicant's proposal will reduce the Commercial General Plan and Zoning map designations, as measured from P.C.H., from a depth of 190 feet to 130 feet. The proposal will make the south side of First Street inconsistent with the north side, which has a commercial depth of 190 feet. Approving these changes will also preclude future use of the property for commercial purposes, and limits the potential expansion of the Pacific Coast Highway fronting commercial property. The P.C.H. fronting property combined with the subject property provides a potential commercial site of 12,741 square feet. If the subject property is redesignated and rezoned, the site will be reduced to 8,221 square feet.

The City Council has generally supported maintaining the commercial depths along P.C.H. to encourage commercial development of larger sites, for example a request to redesignate and rezone the property along the north side of 5th Street was rejected, as well as along 6th Street and First street east of P.C.H. However, the Council has supported the rezoning and redesignation of parcels located on 2nd Street, Tenth Street, and Fourth Street, all west of P.C.H. The circumstances in these cases all differ from the current request, however, as the properties were located a greater depth from P.C.H. than prevailing commercial depths on the same block or adjacent blocks.

The applicant argues that this property does not fit in with the intent of encouraging new commercial development along P.C.H. because of small size of the property, even if combined with the frontage lot, and access and visibility issues. The applicant notes that the property is very difficult to access from P.C.H. for northbound traffic because of the lack of signalized intersection, and has poor visibility. Also, the applicant has investigated the potential development of this site for retail and/or office use, although the lack of visibility would not seem to support retail development. The applicant has recently marketed the site for office development, and has prepared a concept office condominium plan that would support 4,500 square feet of office uses, but notes marketing has been unsuccessful up to date.

The applicant also argues that its use for residential purposes will not impact anticipated City tax revenues and may actually be better for the City fiscally. To support this argument the applicant has provided a simple fiscal analysis that estimates the existing and potential annual tax revenue associated with this property, and also with combined development of this property with the frontage property. This fiscal analysis compares the tax revenue of the proposed residential use as compared to the existing commercial use. It concludes that even a successful commercial redevelopment of the site would provide slightly less fiscal revenue than the residential uses because of the immediate residential property tax gains. This fiscal analysis, however, is very limited in scope and applicability, as it does not analyze the fiscal impacts over the long-term (i.e. it does not address the potential growth in sales tax or other commercial revenue vs. the static nature of residential property tax); does not analyze the comparative impact on City services over time; does not analyze economic multiplier effects that might result from

commercial use of the property; and most importantly, does not address the potential impact/revenue associated with combining this property with the P.C.H. fronting property.

The applicant indicates that the proposed use of the site would be for a 2-unit condominium project. A concept plan is included to show the potential development that the applicant envisions for the site.

The Planning Commission must weigh the benefits of rezoning and redesignating commercially zoned property along the commercial corridor, against the disbenefits of losing some of the relatively small amount of commercial property in the City. Approximately 14% of the City is zoned commercial and less than 6% of that land is located along the City's commercial corridors. Reducing the depth of commercial lots renders the remainder of a site less usable for quality commercial development and tends to have collateral effects on abutting properties since it becomes harder to provide parking, and other kinds of environmental mitigation for a project (increased setbacks, landscaping, etc.) that larger sites afford.

Ken Robertson
Senior Planner

Sol Blumenfeld, Director
Community Development Department

Attachments

1. Resolution
2. Maps (Location, General Plan, Zoning)
3. Aerial Photo and site photos
4. Applicant's letter and analysis (fiscal analysis)
5. Concept plans
6. Correspondence