# Honorable Chairman and Members of the Hermosa Beach Planning Commission

Regular Meeting of December 7, 2005

SUBJECTS: TEXT AMENDMENT TO PERMIT DISPLAY OF RETAIL MERCHANDISE

ON PIER PLAZA

# **Recommendation:**

To recommend the City Council adopt an ordinance adding a new sub-section in Chapter 12.12 and 12.16 and amending Section 17.26.050 of Chapter 17.26 of the Hermosa Beach Municipal Code for outdoor display of retail merchandise on Pier Plaza.

# **Background:**

On May 10, 2005, the City Council reviewed the current outdoor dining regulations and directed staff to return with a resolution reflecting the City Council's changes including new regulations for retail sales on Pier Plaza. On August 9, 2005, the City Council approved Resolution No. 05-6418, adopting standards for the design and operation of outdoor retail sales display areas on Pier Plaza. On November 15, 2005, the Planning Commission considered the subject amendments and continued the matter in order to have staff investigate other methods for providing outdoor display of retail merchandise along Pier Plaza.

### **Analysis:**

The retail sales/display standards have been prepared pursuant to City Council direction and apply exclusively to businesses along Pier Plaza. The ordinance amends encroachment regulations in Chapter 12.16 and outdoor sales from stands in Chapter 12.12 of the Municipal Code and amends outdoor sales regulations in Chapter 17.26 of the Zone Code. Currently permanent outdoor sales and displays are prohibited and the Zone Code must be amended to allow it. Section 17.26.040 permits only "temporary outdoor merchandise display and outside dining in conjunction with a temporary outdoor event such as a sidewalk sale, authorized by city council by special permit as set forth in Section 12.12.070. (Section 12.12.070 refers to placing wagons, stands in streets for purposes of sale or display of goods as part of a temporary sidewalk sale by special permit.) The Zone Code and encroachment regulations were amended in 1997 to allow outdoor dining on Pier Plaza without a conditional use permit and there must be a similar exception for retail sales and displays. Following amendment of the Zone Code and amendment to the encroachment regulations, an existing or new retail business may apply for a standard encroachment permit to conduct outdoor sales along Pier Plaza.

The Zone Code regulates commercial parking by gross floor area and the addition of retail floor space in the encroachment area is an expansion that must be calculated as required parking. The current downtown parking requirement is one space per 333 sq. ft with rounding up for any fractional amount greater than one-half and any amount less than one-half disregarded. Thus, if a business uses no more than 166 sq. ft. of encroachment space, no additional parking is required. However, if more than 166 sq. ft. of the encroachment area is used, than the retail business is subject to parking requirements under Sections 17.44.020 (E) and 17.44.040 (D)&(E)and 17.44.210 Parking Plans. Staff proposes that encroachment retail displays not exceed 166 sq. ft. since there is no affect on required parking.<sup>2</sup>

At the November 15 meeting, the Planning Commission expressed concern that the draft retail standards did not prevent a business from displaying merchandise in a manner that could detract from

Pier Plaza and recommended that professionally designed retail vending carts be required for such displays, subject to review and approval by the Public Works Commission. In order to address their concern, the Commission directed staff to further research the matter and photograph retail carts installed in retail malls and other outdoor locations. (Please see attached photos). If the Commission decides to amend the regulations to require the use of vending carts for outdoor retail displays, staff will return with the revision for consideration at the next Commission meeting.

Once the proposed changes are adopted, retail businesses will be required to obtain an encroachment permit and insurance to use the encroachment areas, but will be charged a reduced encroachment lease rate in order to provide an incentive for retail business location and expansion along the Plaza. A business owner must currently remit an encroachment permit fee of \$370 and a monthly lease payment of \$2.00 per square foot to use the outdoor dining encroachment area. Retail businesses are proposed to be charged \$.50 per square foot for sales display in the encroachment area.

Sol Blumenfeld, Director Community Development

#### Notes:

- 1. 333 sq. ft. per required space x .50 = 166.5 sq. ft. per Section 17.44.180 round-up requirement.
- 2. The outdoor dining areas were approved with a one time City contribution of \$78,000 through the Downtown Enhancement Fund in 1997. If the entire encroachment area is used for outdoor display area, the City Council may choose to similarly fund in lieu fees on an area-wide basis. For 10 existing retail businesses, the allocation of up to \$150,000 from the Downtown Enhancement Fund would be required for 10 businesses. 10 existing retail businesses x 30' approx. width x 13' depth

= 3,900 sq. ft. = total encroachment area 333 /space = 11.71 spaces x \$12,500 per in lieu space\* = \$150,000 total in lieu fees

\* .5 and above round up per parking ordinance.

In the event the Council decides to fund the retail use of the entire encroachment area, an area-wide parking plan for retail in-lieu parking must also be processed through the Planning Commission to accept the in lieu fees. Alternately, if the City does not subsidize the use of the encroachment area and an owner chooses to use more than 166 sq. ft. then the business must submit a Parking Plan application to the Planning Commission for consideration and provide in lieu fees at the rate of \$12,500 per space.

#### Existing Retail Businesses:

North		
34 Pier Avenue	Shirt Tales	Retail Clothing
50 Pier Avenue	Treasure Chest	Miscellaneous Retail
50 Pier Avenue	Robert's Liquor	Liquor and Sundries
South		
25 Pier Avenue	Pier Surf	Miscellaneous Retail
31 Pier Avenue	Avanti Jewlers	Retail
53 Pier Avenue	High Five	Woman's Clothing
49 Pier Avenue	Beach Shop	Miscellaneous Retail
49 Pier Avenue	Powerline 6 Store	Shoe Store
59 Pier Avenue	Blue	Clothing Retail
65 Pier Avenue	Spyder II	Miscellaneous Retail

#### Attachments:

- 1. Outdoor Display of Retail Merchandise on Pier Plaza Standards.
- 2. Resolution.
- 3. Ordinance.
- 4. Photos & Information

#### P.C. RESOLUTION NO. 05-

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HERMOSA BEACH, CALIFORNIA, RECOMMMENDING A TEXT AMENDMENT TO ALLOW OUTDOOR DISPLAY OF RETAIL MERCHANDISE ON PIER PLAZA

The Planning Commission of the City of Hermosa Beach does hereby resolve as follows:

Section 1. The Planning Commission held a duly noticed public hearing on December 7,

2005, to consider amending the Zoning Ordinance, Chapter 17.26, to allow outdoor display of

merchandise on Pier Plaza.

Section 2. Based on the evidence considered at the public hearing, the Planning Commission

makes the following findings:

1. The Zoning Ordinance, Section 17.26. currently does not permit outdoor merchandise

display on or adjacent to commercially zoned property, and said display should be allowed

along Pier Plaza.

Section 3. Based on the foregoing, the Planning Commission hereby recommends that the

Hermosa Beach

Municipal Code. Title 17-Zoning, Section 17.26.050, be amended by amending paragraph B.4.

thereof to read

as follows:

"4. Temporary outdoor merchandise display and outside dining in conjunction with a

temporary outdoor

event such as a sidewalk sale, authorized by the City Council by special permit as set forth in

Section

12.12.070, and outdoor merchandise display on Pier Plaza as allowed by Section 12.16.105"

VOTE:

**AYES:** 

**NOES** 

**ABSTAIN** 

**ABSENT** 

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# CERTIFICATION

I nereby certify the fo	regoing Resolution P.C. 05- is a true and complete record of the action
taken by the	
Planning Commission	of the City of Hermosa Beach, California, at their regular meeting of
December 7, 2005.	
Ron Pizer, Chaiman	Sol Blumenfeld,
Secretary	
Date	