

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

**Regular Meeting of
June 20, 2006**

SUBJECT: PRECISE DEVELOPMENT PLAN 06-4
 PARKING PLAN 06-1

LOCATION: 338 AND 400 PIER AVENUE

APPLICANT: AL MARCO
 240 CENTER STREET
 EL SEGUNDO, CA 90254

REQUESTS: PRECISE DEVELOPMENT PLAN FOR A COMMERCIAL BUILDING OF
 APPROXIMATELY 15,000 SQUARE FEET CONTAINING OFFICE AND RETAIL
 USES INCLUDING A RESTAURANT AND COFFEE HOUSE

PARKING PLAN TO ALLOW A COMBINATION OF ON-SITE PARKING (34
SPACES) AND PAYMENT OF IN-LIEU FEES TO MEET THE SHARED PARKING
REQUIREMENTS OF THE PROPOSED USES.

Recommendation

Continue the hearing, and advise the applicant that shared parking as a measure of the parking requirement will only be accepted if the parking is actually provided, and direct the applicant to develop an alternative plan to provide the needed parking on site by increasing parking and/or reducing the scope or changing the proposed uses within the project.

Background

ZONING:	C-2 Restricted Commercial
GENERAL PLAN:	General Commercial
LOT SIZE TOTAL:	16,830 Sq. Ft.
338 PIER AVE.	7,690 Sq. Ft.
400 PIER AVE.	9,140 Sq. Ft.
PROPOSED BUILDING SIZE TOTAL:	14,688 Gross Square Feet
338 PIER AVE.	10,954 Sq. Ft.
400 PIER AVE.	3,734 Sq. Ft.
FLOOR AREA RATIO:	0.87
REQUIRED PARKING (AGGREGATE):	70 Spaces*
PARKING PROVIDED ON SITE:	34 Spaces
ENVIRONMENTAL DETERMINATION:	Mitigated Negative Declaration (recommended)

*Aggregate of each proposed use, assumes a parking requirement of 10 per 1,000 square feet for coffee house/snack shop use¹

The subject sites are located on the south side of Pier Avenue at the east and west corners of its intersection with Loma Drive. The property slopes up from Pier Avenue with a grade change of approximately 6-10 feet from front to back. The property historically has been used a Mortuary/Funeral Home, with 338 Pier Avenue containing the building and 400 Pier Avenue a

surface parking lot and garage. The Planning Commission approved a remodel and re-use of the 5,000 square-foot mortuary building at 338 Pier Avenue for office and retail uses in 2004 (PDP 04-22) with the existing surface parking at 400 Pier Avenue providing the required parking. The sites each consist of 2 existing lots, which will be assembled together. The site is adjacent to commercial uses on the east and west with the adjacent properties containing restaurants. A mix of commercial uses is located in the vicinity along upper Pier Avenue.

The Staff Environmental Review Committee, at its meeting of May 18, 2006, considered the environmental impacts of the project. Based on the initial study check-list, and the traffic impact analysis (attached), the Committee recommended a Mitigated Environmental Negative Declaration, with recommendations that the project's parking deficiency be mitigated with the payment of parking in-lieu fees, and that on-site parking for customers and employees be free on a first come-first serve bases (i.e. no assigned parking).

Analysis

The project involves the demolition of all existing improvements and the construction of two story buildings on each site, containing retail uses on the ground floor and offices on the second floor, and includes a two level parking garage to the rear of the building at 400 Pier Avenue with 34 parking spaces. Each level of the garage will be accessed directly from Loma Drive using the slope condition of Loma Drive to access each level. Retail and restaurant uses are located on the ground floor, containing approximately 7,456 square feet, divided into a coffee house at 400 Pier Avenue, and a restaurant and 2 separate retail spaces at 338 Pier Avenue. Office space is provided on the second floor of each building containing a total of 6,398 square feet divided into 8 separate offices. A basement storage area is also included affiliated with the restaurant use. The project is designed in a Contemporary style of architecture; with a stucco exterior; a flat roof with decorative stucco band, wrought iron railings, and a stone veneer to complement the glass store fronts.

PRECISE DEVELOPMENT PLAN

Pursuant to Chapter 17.58 a Precise Development Plan is required because of the new construction. The PDP review requirements are in 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 requirements of the C-2 zone, as the buildings are designed to comply with the 30-foot height limit as shown on the elevations and sections. The building is proposed to comply with the 30-foot height limit along the street frontage, and will be well below the potential maximum height towards the rear of the lot. The buildings provide the minimum required 5-foot setback where it abuts the residential property to the south, and provide the required landscaping with evergreen screening trees. Beyond these basic standards, the project plans show a substantial improvement that will help revitalize this portion of Pier Avenue and provide uses that are consistent with the General Plan and Zoning designations for the property and more compatible with adjacent residential and commercial uses than the historic use of the property. The proposed restaurant, retail and office mix and moderately scaled building is also appropriate for this portion of the downtown district, which is the heart of the upper Pier Avenue section, and three blocks away

from the more intense downtown activity at lower Pier Plaza. The offices will likely provide a daytime use to balance the peak evening use of the restaurant.

The project also incorporates improvements to the public rights of way on both the Loma Drive frontage and Pier Avenue frontages, to increase street parking, and to provide landscaping consistent with the planned design in the area. Overall the design positively reflects the pedestrian nature of the downtown, since the parking structure will be tucked behind the building at 400 Pier Avenue, and the entire retail frontage is along Pier Avenue.

PARKING PLAN

Based on the current parking ratio for the downtown district of 3 spaces per 1,000 square feet of office or retail space, and one for every 100 square feet of restaurant or snack shop uses the proposed building requires 69 parking spaces pursuant to Section 17.44.040 pertaining to parking requirements for the downtown.² Also, the ancillary storage basement requires on additional space for a total requirement of 70 spaces. The applicant is proposing 34 spaces in two levels of parking. The parking calculation is based on gross aggregate floor area for the restaurant, retail and office uses.

This aggregate calculation, however, does not take into account the peak parking requirements and hourly variation in parking demand for each individual use in a mixed-use project. Therefore, the applicant is proposing consideration of the shared parking demand pursuant to Section 17.44.210 of the Zoning Ordinance, which states that the Planning Commission may allow for a reduction in the number of spaces required, and allows the Commission to consider factors such as the peak hours of the proposed uses sharing the same parking facilities.³ The applicant has submitted a shared parking analysis based on the methodology and hourly parking adjustment factors developed by the Urban Land Institute *Shared Parking, 2nd Edition*. The applicant has submitted a shared parking analysis prepared by Linscott, Law and Greenspan (pages 23-29 of Traffic and Parking Study) The parking rates used for the calculations in the shared parking analysis for the office, and retail uses are based on the general parking requirements in the Zoning Code (1 space per 250 square feet) to better reflect actual demand, and not based on the reduced parking requirements for retail and office uses that are currently allowed in the downtown when calculating off-street parking requirements.

Parking Tabulation:

Proposed Use	Allocation	Code Requirement	Total Number per Code	Peak Shared Weekday 2:00 P.M	Peak Shared Weekend 7:00 P.M.
Retail Shops	3,528 SF	3 per 1000 sq. ft	11	12	13
Office	6,398 SF	3 per 1000 sq. ft	19	19	0
Restaurant	1,831 SF	1 per 100 sq.ft.	18	11	18
Coffee House	2,097 SF	1 per 100 sq. ft.	21	7	15
Storage	834 SF	1 per 100 sq. ft.	1	1	1
Total	14688 SF		70	50	47

The conclusion of the shared parking analysis for the project is that the highest shared parking demand occurs weekdays at 2:00 P.M. for the combination of uses and is projected at 50 spaces. While the peak on weekends occurs at 7:00 P.M. Since the supply of parking is 34 spaces, the deficiency on the peak time on weekdays is 16 spaces. This shared parking analysis assumes a “worst-case” that all customers will drive to the site, and does not consider the reality that a certain percentage of patrons will arrive at the building on foot or bicycle or in conjunction with other trips to the downtown. During the peak weekday time there is usually ample public on-street parking available to supplement the on-site parking. During peak weekend evenings, however, limited street and public parking is available.

Pursuant to section 17.44.040 of the Municipal Code, and the City’s Certified Coastal Land Use Plan, and since the project is less than a 1:1 floor area ratio; the applicant may pay in-lieu fees for all required spaces. The applicant, however, is proposing a combination of on-site parking and payment of fees in-lieu of parking. The applicant proposes to pay for the deficiency of 16 spaces relative to the shared parking demand, rather than the deficiency as compared to code required parking. Based on the Resolution 99-6001 this will require the payment of \$12,500 for each required parking space not provided on-site, and thus will require a total payment of \$200,000⁴. If the in-lieu fees are based on the deficiency to aggregate code required parking, the deficiency is 36 spaces, or an amount of \$450,000. The City has not previously approved in-lieu fees based on a deficiency as compared to a shared parking demand. The fees must be provided prior to occupancy of the building and deposited in the City’s parking improvement fund, which is set aside for the City to construct public parking in the future when the number of in-lieu parking spaces reaches 100⁵.

The applicant also notes that the changes to the project site, including the elimination of a curb cut on Pier Avenue, will result in 6 new on-street metered spaces, as shown on sheet A-1.3 of the project plans. These spaces cannot be included in the required off-street parking calculations, but will help mitigate the parking impacts of the project.

Nearby residents have expressed concern with the parking deficiency of this project, noting that the in-lieu fees only go into a fund for future parking. They are concerned that spillover parking will impact their neighborhood, and concerned that sufficient parking will not be provided in the near future. They contend that all required parking should be provided on site as was done for 200 Pier Avenue, by providing either subterranean parking, or decreasing the scale of the project. Staff has discussed these options with the applicant, and believes it would be possible to construct additional parking below grade on the property at 338 Pier Avenue to meet the projected shared parking demand. Also, the project scope and mix of uses could be changed to reduce the parking requirement. Staff also believes that rather than investing in such a substantial in-lieu fee the applicant could instead invest the money towards providing parking on-site to meet the shared parking demand, which would also have the benefit of increasing the lease value of the project, as well as the resale value of the property.

The applicant has studied these options and prefers the plan as submitted, which requires paying in-lieu fees, noting that subterranean parking or multiple level parking structures are inefficient on small properties like these, and would change the scope and character of the project from a neighborhood compatible scale to something much larger. Also, they note their intent to

enhance the pedestrian nature of this district. It should be noted that with respect to on street parking, the nearby neighborhoods are already protected from spillover parking because of the preferential parking district program, although its possible the spillover could go beyond the boundaries of the preferential parking district. Also, the City has long range plans to construct additional parking in the Civic Center as part of a proposed master plan, however, this project has not commenced.

TRAFFIC

The applicant has submitted a traffic impact analysis prepared by Linscott, Law and Greenspan included as part of the environmental assessment initial study for the project. The project is expected to generate a 92 vehicle trips during the AM peak hour and 58 during the PM peak hours, and 863 daily vehicle trips. The report evaluates the impact on the trips on nine local intersections, and concludes that the project generated traffic will not have significant impact on the level of service of any of these intersections during morning and evening peak hours. The City's traffic engineer reviewed the report, and concurs that the project will not cause any significant impact on these intersections, and project specific traffic mitigation measures are recommended. It should be noted that this analysis and these trip generation numbers did not include or compare with the previous use of the site, or the approved use of the existing building for office and retail use. If this were included in the analysis it would show a lesser net impact.

SUMMARY

Staff believes that the use of the shared parking analysis is appropriate for the proposed mix of uses, which obviously will have differing peak demand times. However, staff also believes the project can be modified to accommodate the shared parking demand on site by using the property at 338 Pier Avenue for additional structure or subterranean parking. The only precedent to using shared parking demand in the City is where the shared demand equated to parking actually provided (The Hermosa Pavilion), and not as the number for calculating the parking in-lieu fee. If the in-lieu fee is based on aggregate code required parking it is costly, and it may make more sense for the owner to put that investment into providing the parking on site to meet the demands for project.

CONDITIONS OF APPROVAL

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

1. The allocation of uses cannot be modified unless approved by the Commission.
2. All available parking shall be free for customers and employees and shared amongst the occupants of the building to maximize use of the parking facilities (i.e. no parking spaces shall be assigned for exclusive use by any occupant, guests or tenants).
3. An affidavit shall be filed to preserve common ownership of two separate properties involved in this project.
4. The lots that make up each site shall be merged.
5. Final verification of compliance with the height limit requires submittal of revised roof plan with property corner elevations and finished roof heights, and maximum heights identified at the critical points.

6. Provision of a street trees and tree grates as approved by the Public Works Department in coordination with plans to improve upper Pier Avenue, or alternatively the owner shall deposit the necessary funds for the improvements to be constructed at a later date.
7. Decorative paving surfaces for the pedestrian entry, and entries into the parking areas.
8. Reconfigure on-street parking and parking meter locations to maximize on-street parking.
9. Parking In-Lieu Fees deposited into the Parking Improvement Fund prior to occupancy of the building pursuant to Section 17.44.040 of the Zone Code.
10. Pursuant to the recommendation of the applicant's traffic engineer, provide directional signs at the pedestrian exit locations of the parking structure to encourage use of the crosswalk at the Loma Drive / Pier Avenue intersection rather than crossing Loma Drive mid-block

CONCUR:

Ken Robertson
Senior Planner

Sol Blumenfeld, Director
Community Development Department

Attachments

1. Location Map
 2. Initial Study Checklist
 3. Photos
 4. Correspondence
- Project Introduction/Traffic Study/Project Plans – separate attachment

¹ The City has often allowed a reduced parking requirement for coffee houses, since it is consistent with the definition of snack shop pursuant to Section 17.44.030(O) of the Zoning Ordinance, and therefore has required parking based on retail parking requirements. If this reduction were allowed for this project (based on the 2,097 square-foot coffee house) the required parking would be reduced from 21 spaces to 6 spaces, thus reducing the aggregate parking requirement from 70 to 55 spaces. However, it would be premature to approve such a reduction since the Commission would need to confirm it as a snack shop use based on detail interior floor plans and business description, which are not available at this time, and impose specific conditions on the operation.

² This is based on the section 17.04.040 of the Zoning Ordinance, revised in February, 2004, 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. 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.

³ Section 17.44.210 Parking Plans states "A parking plan may be approved by the planning commission to allow for a reduction in the number of spaces required. The applicant shall provide the information necessary to show that adequate parking will be provided for customers, clients, visitors and employees *or when located in a vehicle parking district, the applicant shall propose an in-lieu fee according to requirements of this chapter.*" Staff interprets this section to allow consideration of a reduced parking requirement or an in-lieu fee, and use of the in-lieu fee therefore does not preclude consideration of the reductions allowed for in this section. The factors the Commission can consider in reducing the parking requirement includes bicycle and foot traffic, common parking facilities, unique features of the proposed use, and peak hours of proposes uses with shared parking facilities. The applicant is focusing on the factor related to peak hour usage within the mixed use development, even though the location and other features might warrant consideration of some of the other factors.





⁴ The City has commissioned an in-lieu parking analysis and the approval of in-lieu fees would be based on the findings of the study and so noted as a condition of approval.

⁵The text from the Coastal Land Use Plan, as amended in 2004, reads as follows “Program: In order to mitigate the impacts of increased parking demand that is created by new development, but is not compensated for by requiring additional parking spaces, City Council shall provide an in-lieu fund transfer or an in-lieu fee as described in Section 17.44.040 of the Zoning Ordinance and Ordinance No. 80-643 and Resolutions Nos. 80-4307 and 99-6001 to an improvement fund earmarked specifically for creating parking, in an amount determined to be sufficient to off-set the increase in required parking spaces caused by the expansion, intensification, or new construction not provided on site. If the City Council determines that the private party is responsible for the in-lieu fee, the private party shall pay said fee. “Program: The City shall not accept a fee in lieu of providing on site parking unless the Community Development Director assures that sufficient parking exists to accommodate the parking demand of new development without causing a significant adverse impact on parking that is available to the beach going public. The improvement fund to mitigate increased parking demand shall be geared to a threshold limit of increased parking demand. The threshold limit was established at 100 parking spaces in 1982 and has not yet been reached. The City shall continue tallying the number of spaces (of that 100) that have been allocated based on receipt of in-lieu fees, and the City shall construct new parking upon reaching that threshold limit or the City shall not accept any fees in-lieu of parking beyond that threshold limit. The City shall provide an annual accounting of the in-lieu parking program.” The City has long range plans to construct additional parking in the Civic Center as par of a proposed master plan, however, this project has not commenced.