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

Regular Meeting of May 15, 2007

CONTINUED FROM THE MEETINGS OF FEBRUARY, MARCH AND APRIL

SUBJECT:

PRECISE DEVELOPMENT PLAN 07-1; CONDITIONAL USE PERMIT

(CONDOMINIUM) 07-1; VESTING TENTATIVE TRACT MAP #68380; PARKING

PLAN 07-1 TO CONSTRUCT A NEW THREE-STORY 21 UNIT OFFICE CONDOMINIUM WITH BASEMENT AND FIRST FLOOR PARKING

AT 906-910 HERMOSA AVENUE

PARKING PLAN TO BASE THE PARKING REQUIREMENTS ON NET FLOOR

AREA OF THE OFFICES AND TO PAY PARKING IN-LIEU FEES TO

COMPENSATE FOR PROVIDING LESS THAN REQUIRED PARKING ON SITE

#### **Recommendation Alternatives:**

1. To approve the project, as revised with 11 parking spaces and alley only access, by adopting the attached resolution. (Option 1)

2. Approve the project with 19 parking spaces, and roll-up garage door. (Option 2)

3. To deny the request. (Option 3)

#### **Background**

At the April 17<sup>th</sup> meeting, the Planning Commission considered a revision submitted by the applicant to address their prior concerns noted at the February and March meetings. The Commission continued the hearing directing the applicant to consider further revisions, stating that the amount of in lieu parking was excessive and that the project should be reduced in size to reduce the parking demand and in lieu parking required to satisfy it.

The applicant has again submitted a revised plan, to partially address the concerns of the Commission, by provided one more parking space. However, the applicant has not made any significant reduction in the size of the project.

The following is a summary of the latest revision (option 1), and the project as considered and reviewed at the March meeting which included both alley and street access.

	OPTION I	OPTION 2
PROPOSED FLOOR AREA:	10,248 Sq. Ft.*(gross)	9,497 Sq. Ft.*
OFFICE CONDOMINIUM UNITS / SIZE:	21 offices (9,412 square feet net)	21 offices (8,781 Sq. Ft.)
FLOOR AREA RATIO:	1.73	1,62
PARKING PROVIDED ON SITE:	11 Spaces	19 Spaces
REQUIRED PARKING:	28 Spaces **	26 Spaces***
IN-LIEU SPACES:	17	7

<sup>\*</sup> Gross Floor area for purposes of determining parking requirements, as defined by Chapter 17.44, excludes common elevators, stairs and corridors and outdoor seating deck areas, but includes lobbies.

#### **Analysis**

In the latest version of the project design, the applicant is again proposing a garage off the alley only, but has revised the garage to accommodate 11 parking spaces, an increase from the 10 spaces

<sup>\*\*</sup> Based on net office floor area of 9,412 square feet

<sup>\*\*\*</sup>Based on net office floor area of 8,893 square feet.

provided in the plans reviewed in April. This latest revision is again intended to address the primary concern expressed by the Planning Commission to enhance the pedestrian environment by creating an uninterrupted street frontage rather than a curb cut to accommodate the driveway. The net office square footage results in a total parking requirement of 28 spaces, and the deficiency subject to the in-lieu feet is proposed at seventeen (17) spaces. The Commission rejected a similar version of this plan noting that the increased in lieu parking meant there was not enough on site parking to accommodate the proposed project.

The applicant has expressed frustration with the hearing process because he has redesigned the project based upon prior Commission direction, and that the direction has now changed in a manner that makes the project infeasible. The applicant is also concerned that given the current "balance" of in lieu parking spaces available, that he may have to abandon the project because all the in lieu parking spaces may be allocated to another use if his project is not approved soon.<sup>1</sup>

#### Reduced Building Size

At the April meeting, some of the Commissioners stated that the building could be reduced in size to accommodate a higher percentage of on-site parking, but in order to substantially provide all parking on-site with alley access the building would have to be reduced by approximately one-half the floor area or approximately 4,000 sq. ft. Also, the applicant indicates that any reduction in square footage would make the project economically infeasible. (Please see attached estimated costs from the applicant).

The applicant has prepared a cost estimate analyzing the cost for land, financing, architecture and engineering and improvements. At a total estimated cost of \$7,720,000, the price per foot for the project is \$830.10. According to the applicant, the high land and development costs make it infeasible to significantly reduce the building size, since the project cost and sales price will be too high to justify financing and development given local market considerations.

The project size measured as a ratio of floor area to lot area (FAR) is consistent with a similar project at 1429 Hermosa Avenue. Attached is a comparison of the proposed project alternatives with other office and commercial project.

The Commission must balance the potential outcome of no property redevelopment against the desire to ensure the project supports the pedestrian environment. It is clear that the proposed project office use is consistent with the City's goals for attracting new daytime users to the downtown in order to help balance daytime activity with the existing nightlife. However, if the project is deemed infeasible due to the reduced building size, it may result in no property redevelopment and this outcome may be inconsistent with the City's downtown revitalization goals.

#### In Lieu Parking

In accepting in-lieu parking, the Commission must find that the parking deficiency will not unduly impact area parking. Recently the Commission approved the use of in-lieu parking for proposed office and retail building at 1429 Hermosa Avenue, where it was demonstrated that peak use of the building coincided with times of the week where substantial public parking was available on the street and in the parking structure, and also that there was otherwise enough parking on site to satisfy demand during peak demand periods. The subject project is comprised of 100% office uses, so the use of the building should also coincide with daytime periods throughout the week when public

parking is available. Coastal Commission approval is pending for the 1429 Hermosa Avenue project and is also required for this application.

The Commission may want to reconsider its latest direction, in light of the improbability of constructing a building with 4,000 sq. ft. of floor area on the property, and the comparable size of this project as compared with 1429 Hermosa Avenue. If the Commission is satisfied with this latest revision with 11 parking spaces with alley access, the project can be approved as revised. The applicant has requested that the Commission make final disposition on the project and that it not be continued for redesign. Therefore, staff is recommending that the Commission select from among the following alternatives:

- 1. Approve the revised submittal, and adopt the attached draft resolution. (Option 1)
- 2. Approved the plan with 19 spaces and roll-up door (option 2 resolution)

3. Deny the application (option 3 resolution.)

Ken Robertson, Senior Planne

Sol Blumenfeld, Director Community Development

#### **Attachments**

- 1. FAR comparison
- 2. Correspondence- Applicant's letter and project cost analysis
- 3. Updated tabulation of committed in-lieu parking spaces
- 4. Alternative Resolutions

#### Notes:

1. Pursuant to Section 17.44.040 of the Municipal Code, and the City's Certified Coastal Land Use Plan, and since the project has more than a 1:1 floor area ratio; the applicant must provide at least 25% or required parking on site, and pay in-lieu fees for the balance of the required spaces. The applicant is now proposing a combination of on-site parking and payment of fees in-lieu of parking with 36% of required parking on site. The applicant proposes to pay for the deficiency of 18 spaces relative to the parking requirement which requires the payment of \$28,900 for each required parking space not provided on-site, or a total payment of \$520,200<sup>1</sup>. In-lieu fees are 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 100.

 $F: \B95\CD\PC\2007\05-15-07\pdp\906Hermosa-Continued.doc$ 

#### **Project Size Comparison**

#### Office Condominium Projects

Project	Gross Floor Area	Lot Area	Parking Spaces on-site	Number In-Lieu	F.A.R.
906 Hermosa Avenue (Option I, with access from alley only)	10,148	5,863	10	18	1.73
906 Hermosa Avenue (Option 2, March 15 plan with roll-up garage door)	9,497	5,863	19	Ż	1.62
1429 Hermosa Avenue	19,443	11,518	34	7	1.69
200 Pier Avenue	18,648	17,559	56	0	1.06
400 Pier Avenue	14,580	16,830	37	. 0	0.86
2101 P.C.H.	10,124	8,158	34	0	1.24
3001 P.C.H.	8,750	10,555	35	0	0.83

#### Other approved commercial projects

52 Pier (Sharkeez)	5,612	2,850	0	20	1.96
14 <sup>th</sup> Street Hotel (expired; pending resubmittal)	21,704	14,250	39	13	1.52

F.A.R. (Floor Area Ratio) = Gross Floor Area (based on definition in Zoning Ordinance)

Lot Area

#### HERMOSA SEASIDE DEVELOPMENT CORPORATION

314 Tejon Place Post Office Box 1002 Palos Verdes Estates, California 90274 Telephone (310) 791-6600

May 9, 2007

PACEIVED
MAY 0 9 2007
COMMUNITY DEV. DEPT.

Hermosa Planning Commission City of Hermosa Beach 1315 Valley Drive Hermosa Beach, California 90254

Re: Precise Development Plan 07-1; Conditional Use Permit

(Condominium) 07-1; Vesting Tentative Tract Map #68380;

Parking Plan 07-1

Location: 906-910 Hermosa Avenue

Dear Honorable Commissioners:

The purpose of this letter is to respectfully request a decision from the Planning Commission. The May meeting will be the fourth consideration of the project.

The project is not viable with any reduction in size. A schedule of the costs is attached to this letter.

It is our understanding that the primary issue is parking.

The required parking is twenty-eight spaces.

The best parking solution (without access from Hermosa Avenue) is to provide eleven spaces with access from the alley with payment of in lieu fees for seventeen spaces.

This solution complies with all City requirements and is comparable to the recent approval for 1429 Hermosa Avenue.

Thank you for your consideration.

Very truly yours,

Marshall Esfahani

### ESTIMATED COSTS OF 906-910 HERMOSA AVENUE PROJECT

Land cost	2,500,000.00
Parking structure	300,000.00
Building cost not including parking 300 x 9,300	2,790,000.00
Carrying costs	800,000.00
In lieu parking fee (17 spaces)	480,000.00
Other soft costs (permits, legal, architect, etc.)	200,000.00
Marketing, real estate commissions and closing costs	500,000.00
Contingency	150,000.00
Total	7,720,000.00

\$7,720,000.00 divided by 9300 square feet (size of project) equals \$830.10 per square foot. This represents the top of the market, and a new high for this type of project. In this area. Any reduction in size would increase the cost per square foot to the point that it would make the project economically impossible, - namely no construction financing would be available since the project could not produce a profit if completed and sold.

Clients 2006\Esfahani\Costs re Hermosa Ave 050907.doc

## Parking In-Lieu Fee Program - Number of Parking Spaces Accepted

Project / Location	Number of Parking Spaces In-Lieu	Status
Hennessey's Tavern / 8 Pier Avenue	2	Funds transferred
The Mix / 117 Pier Avenue Currently "Hibachi's" Restaurant	5	Funds transferred
Pier Plaza Outdoor Dining / 13 Businesses, Lower Pier Avenue	13	Funds transferred
City Retail Building / at North Pier Parking Structure 1301 Hermosa Ave	20	Funds transferred
Fat Face Fenner's Fishack / 51 Pier Avenue	5	Funds Collected
Office Retail Condominium / 1429 Hermosa Avenue	7	Coastal Commission Approval and Building Permit pending
Sharkeez Expansion / 52 Pier Avenue	20	Coastal Commission Approval and Building Permit pending
Total Accepted	72	
Net Available	28	

## Projects with applications submitted

Hermosa Seaside Office	8 or	Planning Commission
Condominiums / 906 Hermosa Ave	18 with revision	Decision Pending

F:\B95\CD\LETTERS\In-lieu accounting update 4-9-07.doc

# DRAFT - for approval of revised project with Hermosa Avenue Access and 7 in-lieu parking spaces

#### P.C. RESOLUTION 07-7

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HERMOSA BEACH, CALIFORNIA, APPROVING A PRECISE DEVELOPMENT PLAN TO CONSTRUCT A NEW THREE-STORY COMMERCIAL OFFICE BUILDING CONTAINING APPROXIMATELY 10,000 SQUARE FEET; A CONDITIONAL USE PERMIT FOR A COMMERCIAL CONDOMINIUM AND VESTING TENTATIVE TRACT MAP NO. 67748 TO DIVIDE THE BUILDING INTO 21 CONDOMINIUM UNITS; AND, A PARKING PLAN TO PAY PARKING IN-LIEU FEES TO COMPENSATE FOR PROVIDING LESS THAN REQUIRED PARKING ON SITE, AND A MITIGATED NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACTS, LOCATED ON PROPERTY AT 906 AND 910 HERMOSA AVENUE AND LEGALLY DESCRIBED AS LOTS 25, AND 26, TRACT #1564

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

Section 1. An application was filed by Hermosa Seaside Development Corporation owner of property at 906 and 910 Hermosa Avenue seeking approval of a Precise Development Plan, and Conditional Use Permit to construct a commercial office condominium building containing 21-units, and a Parking Plan for reduced parking requirements based on net office floor area, and to pay parking in-lieu fees to compensate for less than required parking.

Section 2. The Planning Commission conducted a duly noticed public hearings to consider the subject application on February 20, April 20, and May 15, 2007 and considered testimony and evidence both written and oral. Based on the testimony and evidence received the Planning Commission makes the following factual findings:

- 1. The subject site is located on the east side of Hermosa Avenue mid block between 8<sup>th</sup> Street and 10<sup>th</sup> Street with access from Hermosa Avenue and an alley. The property is currently used for a private parking garage and a dry cleaners business.
- 2. The project involves the demolition of all existing improvements and the construction of a three story building. The building includes one level of parking with access from the alley and one level with access from the street. The total net floor area for office uses, excluding common areas and the common lobby areas, is proposed to be 8,781 square feet.
- 3. The building contains up to 21 separate commercial office units intended to be sold separately as condominium units. Commercial condominiums require a Conditional Use Permit pursuant to Section 17.22.100 of the Zoning Ordinance and approval of a tentative tract map
- 4. Since the project is located in the downtown district, the office uses are subject to the parking requirements of Section 17.44.040 which require 3 parking spaces per 1,000 square feet

1.4

1.8

of floor area. This results in a parking requirement of 26 spaces. There are 19 spaces provided on site.

- 5. The applicant is requesting consideration of a Parking Plan, pursuant to Section 17.44.210 for a reduced parking requirement, based on the net office area, and also requesting to pay parking in-lieu fees for the deficiency to the parking requirements.
- <u>Section 3</u>. Based on the foregoing factual findings the Planning Commission makes the following findings pertaining to the application for a Precise Development Plan, Conditional Use Permit, and Parking Plan:
- 1. The project is consistent with applicable general and specific plans and is in compliance with the use and development requirements of the Zoning Ordinance;
- 2. The site is zoned C-2 and is physically suitable for the type and density of proposed development and the project and the proposed use complies with the development standards contained therein;
- 3. The subdivision or types of improvements are not likely to cause serious public health problems;
- 4. The subdivision or type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision;
- 5. Design of the proposed subdivision is compatible and consistent with applicable elements of the City's General Plan, and is compatible with the immediate environment;
- 6. The project, as conditioned, will conform to all zoning and condominium laws and criteria and will be compatible with neighboring residential properties;
- 7. Pursuant to Section 17.44.210 of the Zoning Ordinance allows a reduction in parking spaces required based on factors including unique features of the proposed use, and in this case is reasonable to consider the parking demand based on net floor area used for office purposes since common lobby areas do not contribute to parking demand.
- 8. The applicant will compensate for the parking deficiency of 7 spaces, by paying a parking in-lieu fee, pursuant to Section 17.44.040
- 9. The general criteria of Hermosa Beach Municipal Code Section 17.58.030 for granting or conditionally granting a Precise Development Plan have been considered. In making this finding, the Planning Commission has determined that:

- a. The proximity of the project to existing commercial and residential uses in the downtown area will not result in negative effects with incorporation of the conditions below.
- b. The project is designed to minimize impact on ocean views from residential areas, as the building will be constructed in compliance with the 30-foot height limit of the C-2 zone.
- c. The amount of proposed off-street parking is sufficient for actual need and consistent with the parking requirements for the downtown district.
- d. The uses proposed are compatible with each other and with the area.
- e. The capacity and safety of the streets serving the area is adequate for the traffic volume estimated to be generated by the project as shown by the traffic impact analysis prepared by Linscott, Law and Greenspan, which demonstrates that traffic generation will not significantly increase as compared to the existing uses on the site, and the increase will not result in significant impacts on nearby intersections.
- f. The proposed exterior signs and decor are sufficiently compatible with existing establishments in the area with incorporation of the conditions below.
- g. Building and driveway orientation is appropriate to minimize noise and traffic impacts on nearby residential areas.
- h. The project will not result in adverse noise, odor, dust or vibration environmental impacts.
- i. The proposed use will not result in an adverse impact on the City's infrastructure and/or services.
- 10. The criteria of Hermosa Beach Municipal Code Section 17.58.030(C) for denial of a Precise Development Plan are not applicable. In making this finding, the Planning Commission has determined that:
  - a. The project will not substantially depreciate property values in the vicinity, or interfere with the use or enjoyment of property in such area, because of excessive dissimilarity or inappropriateness of design in relation to the surrounding vicinity.
  - b. The project will not have significant environmental adverse impacts.
- 11. The requirements of Hermosa Beach Municipal Code Section 17.44.040 for granting a Parking Plan for the payment of in-lieu fees for a portion of the required parking, and the policies

contained in the Local Coastal Plan, have been considered and are satisfied by the proposal. In making this finding, the Planning Commission has determined that:

- a. 73% of the required parking is provided on site, to exceed the minimum 25% required for buildings with a greater than 1:1 floor area ratio pursuant to Section 17.44.040(E)
- b. Sufficient parking exists and is being provided on-site in conjunction with the project to accommodate the parking demand of the project without causing a significant adverse impact on parking that is available to the beach going public.
- 12. The City Council, at its meeting of August 8, 2006, set the parking in-lieu fee of at \$28,900 per required parking space, payable in lump sum prior to issuance of Certificate of Occupancy.

#### Section 4. Environmental Review.

- 1. Pursuant to the California Environmental Quality Act ("CEQA") and the City's local CEQA Guidelines, the Staff Environmental Review Committee prepared an Initial Study of the potential environmental effects of the proposed project. Based upon the Initial Study, the Committee determined that there was no substantial evidence, in light of the whole record before the City, that the project would have a significant effect on the environment as long as certain mitigation measures are incorporated into the project to address parking issues. City staff thereafter prepared a Mitigated Negative Declaration for the project and duly provided public notice of the public comment period and of the intent to adopt the Negative Declaration. A copy of the Initial Study and Mitigated Negative Declaration are attached hereto and incorporated herein by reference.
- 2. The Planning Commission has reviewed the Mitigated Negative Declaration and all comments received regarding the Mitigated Negative Declaration. Based on the whole record, the Planning Commission finds that: (i) the Mitigated Negative Declaration was prepared in compliance with CEQA; and (ii) there is no substantial evidence that the proposed project will have a significant effect on the environment with the mitigation measures incorporated. Based on these findings, the Planning Commission hereby adopts the Mitigated Negative Declaration prepared for the proposed project incorporating the following mitigation measure:
  - a. Parking in-lieu fees shall be paid to compensate for the parking deficiency.
  - b. Parking shall be proved for customers and employees free of charge and on a first come first serve basis (i.e. no assigned parking) to maximize the efficient use of the on-site parking facilities.

Section 5. Based on the foregoing, the Planning Commission hereby approves the subject Precise Development Plan, Conditional Use Permit, Vesting Tentative Tract Map No. 68380 and Parking Plan subject to the following **Conditions of Approval**:

- 1. The development and continued use of the property shall be substantially consistent with submitted plans as reviewed by the Planning Commission at their meeting of May 15, 2007, incorporating all revisions as required by the conditions below. Any major modification shall be subject to review and approval of the Planning Commission. Minor modifications may be approved by the Community Development Director but shall not be final until confirmed by the Planning Commission as a consent calendar item on the Commission agenda.
- 2. Final plans for building permit issuance shall be revised to incorporate the following.
  - a. Install appropriate pavement marking (i.e. stop bar with STOP legend) on the project drive aisle just east of the public sidewalk to ensure motorists stop prior to the sidewalk before exiting the site
  - b. Provision of street trees and tree grates as approved by the Public Works
    Department in coordination with plans to improve Hermosa Avenue, or
    alternatively the owner shall deposit the necessary funds for the improvements to
    be constructed at a later date.
  - c. Decorative paving surfaces for the pedestrian entry, and entries into the parking areas shall be provided.
  - d. On-street parking and parking meter locations shall be reconfigured to maximize on-street parking.
- 3. A revised detailed landscape plan for on-site, and off-site landscaping, consistent with the conceptual plan shall be submitted for review and approval by the Community Development Director prior to issuance of building permits incorporating the revisions below:
  - a. Decorative surfaces shall be provided at driveway entry areas and at the pedestrian entry areas consistent with the submitted plan.
  - b. Street trees shall be provided with final tree location, type, and tree grates to be reviewed and approved by the Public Works Director.
  - c. Bicycle parking shall be provided in a convenient location, to the satisfaction of the Community Development Director.
- 4. In order to compensate for required parking that is not provided on site, the applicant shall contribute fees to the City's parking improvement fund in lieu of the required eighteen (17) parking spaces not provided on site, as set forth in Section 17.44.040(E) of the Zoning Ordinance, at the amount of \$28,900 per required space for a total of \$202,300 as set forth by resolution of the City Council. The payment of fees in-lieu of parking shall be made prior to issuance of a Certificate of Occupancy for the building.

1.1

- 5. All parking shall be available for free to customers and employees and no parking spaces shall be assigned for exclusive use by any owner, occupant, or tenant.
- 6. A parking management and operations plan shall be submitted for review and approval by the Planning Commission, regarding parking operations, efficiency, signage, and security and control of access, and setting forth a program to ensure free parking for the employees/customers of the building through the use of validation, or passes, or other method, and said plan shall include how the Parking Plan will be enforced including the signage to be posted in the parking facilities. The plan shall be implemented when the building is occupied. The Commission shall review the parking management plan and the operation and efficiency of parking facility 6 months after occupancy of the building.
- 7. Architectural treatment of the building and all finishes shall be as shown on building elevations and site and floor plans. Any modification shall require approval by the Community Development Director.
- 8. A detailed comprehensive sign plan shall be submitted for review and approval by the Community Development Director incorporating specifications for all individual tenant or owner signs that shall be consistent with that plan.
- 9. The uses of the building shall be as shown on the plan for exclusively general office use, and shall not include any other uses subject to greater parking requirements. The general office use does not include stair corridors, common lobby, common locker rooms or storage. General office use shall not include medical clinics, or retail businesses or services. Any material change in the use shall be reviewed and approved by the Planning Commission.
- 10. A covenant shall be incorporated into the Covenants, Codes and Restrictions for the condominiums and recorded with the property, and with State Department of Real Estate if necessary, stipulating that storage, lockers, lobby and other common areas cannot be converted to condominium office space.
- 11. Outdoor seating and use of the outdoor courtyard shall be limited to between 7:00 A.M. and 10:00 P.M. and no speakers, or televisions are allowed in the outdoor seating and courtyard areas.
- 12. Deliveries shall be permitted only on Hermosa Avenue and shall be scheduled in a staggered manner, and limited to between the hours of 9:00 A.M. and 5:00 P.M.
- 13. The lots that make up the project site shall be merged.

1.2

- 14. 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.
- 15. A detailed drainage and (SUSMP) Standard Urban Stormwater Mitigation Plan is required for approval by the Public Works Department, prior to the issuance of building permits and implemented on site, demonstrating best management practices for stormwater pollution control, and for sediment control and erosion control during construction.
- 16. The project shall meet all requirements of the Condominium Ordinance.

б

- a. Covenants, Conditions, and Restrictions in compliance with the Condominium Ordinance Section 17.22.120 shall be submitted to the Community Development Department for review and approval prior to the issuance of building permits.
- b. The Covenants, Conditions and Restrictions shall include all conditions of approval as contained herein, and shall also strictly prohibit any residential use and any use of the condominium units for overnight sleeping purposes.
- c. Proof of recordation of approved CC & R's shall be submitted to the Community Development Director thirty (30) days after recordation of the Final Map.
- 17. The applicant is responsible for all off-site right-of-way construction required by the Public Works Department, or alternatively, may deposit funds in amount to cover the cost for future right-of-way construction for the Pier Avenue frontage.
- 18. Any existing or proposed encroachments in the public right-of-way, must comply with or be corrected as necessary to meet the requirements of Chapter 12.16 of the Municipal Code, including the requirement to obtain an encroachment permit from the Public Works Department.
- 19. The applicant shall submit all required plans and reports to comply with the City's construction debris recycling program including manifests from both the recycler and County landfill.
- 20. The applicant shall work with staff to incorporate green building standards in the building construction, such as energy efficient glazing and heating and ventilation systems, tankless water heaters, and cool roofs
- 21. The project shall comply with the requirements of the Fire Department.
- 22. Final building plans/construction drawings including site, elevation, floor plan, sections, details, signage, landscaping and irrigation, submitted for building permit issuance shall be reviewed for consistency with the plans approved by the Planning

Commission and the conditions of this resolution, and approved by the Community Development Director prior to the issuance of any Building Permit.

- 23. All roof equipment shall be located and designed to be screened from public view and any portion that exceeds the height limit shall not cover more than 5% of the roof area.
- 24. The project and operation of the business shall comply with all applicable requirements of the Municipal Code.
- 25. The Precise Development Plan and Parking Plan shall be recorded, and proof of recordation shall be submitted to the Community Development Department.
- 26. Each of the above Conditions of Approval is separately enforced, and if one of the Conditions of Approval is found to be invalid by a court of law, all the other conditions shall remain valid and enforceable.
- 27. Permittee shall defend, indemnify and hold harmless the City, it agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employee to attack, set aside, void or annul this permit approval, which action is brought within the applicable time period of the State Government Code. The City shall promptly notify the permittee of any claim, action, or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the permittee of any claim, action or proceeding, or if the City fails to cooperate fully in the defense, the permittee shall not thereafter be responsible to defend, indemnify, or hold harmless the City.
- 28. The permittee shall reimburse the City for any court and attorney's fees which the City may be required to pay as a result of any claim or action brought against the City because of this grant. Although the permittee is the real party in interest in an action, the City may, at its sole discretion, participate at its own expense in the defense of the action, but such participation shall not relieve the permittee of any obligation under this condition.
- 29. The subject property shall be developed, maintained and operated in full compliance with the conditions of this grant and any law, statute, ordinance or other regulation applicable to any development or activity on the subject property. Failure of the permittee to cease any development or activity not in full compliance shall be a violation of these conditions.

Section 6. This grant shall not be effective for any purposes until the permittee and the owners of the property involved have filed at the office of the Planning Division of the Community Development Department their affidavits stating that they are aware of, and agree to accept, all of the conditions of this grant.

Section 7. Pursuant to the Code of Civil Procedure Section 1094.6, any legal challenge to the decision of the Planning Commission, after a formal appeal to the City Council, must be made within 90 days after the final decision by the City Council. VOTE: AYES: NOES: ABSTAIN: ABSENT: **CERTIFICATION** I hereby certify the foregoing Resolution P.C. No. 07-7 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 May 15, 2007. Kent Allen, Chairman Ken Robertson, Secretary May 15, 2007 Date F:\B95\CD\PC\2007\05-15-07\PDPR-906 Hermosa Av-approval (option 1).doc 

#### P.C. RESOLUTION 07-7

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HERMOSA BEACH, CALIFORNIA, APPROVING A PRECISE DEVELOPMENT PLAN TO CONSTRUCT A NEW THREE-STORY COMMERCIAL OFFICE BUILDING CONTAINING APPROXIMATELY 10,000 SQUARE FEET; A CONDITIONAL USE PERMIT FOR A COMMERCIAL CONDOMINIUM AND VESTING TENTATIVE TRACT MAP NO. 67748 TO DIVIDE THE BUILDING INTO 21 CONDOMINIUM UNITS; AND, A PARKING PLAN TO PAY PARKING IN-LIEU FEES TO COMPENSATE FOR PROVIDING LESS THAN REQUIRED PARKING ON SITE, AND A MITIGATED NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACTS, LOCATED ON PROPERTY AT 906 AND 910 HERMOSA AVENUE AND LEGALLY DESCRIBED AS LOTS 25, AND 26, TRACT #1564

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

Section 1. An application was filed by Hermosa Seaside Development Corporation owner of property at 906 and 910 Hermosa Avenue seeking approval of a Precise Development Plan, and Conditional Use Permit to construct a commercial office condominium building containing 21-units, and a Parking Plan for reduced parking requirements based on net office floor area, and to pay parking in-lieu fees to compensate for less than required parking.

- Section 2. The Planning Commission conducted a duly noticed public hearings to consider the subject application on February 20, April 20, and May 15, 2007 and considered testimony and evidence both written and oral. Based on the testimony and evidence received the Planning Commission makes the following factual findings:
- 1. The subject site is located on the east side of Hermosa Avenue mid block between 8<sup>th</sup> Street and 10<sup>th</sup> Street with access from Hermosa Avenue and an alley. The property is currently used for a private parking garage and a dry cleaners business.
- 2. The project involves the demolition of all existing improvements and the construction of a three story building. The building includes one level of parking with access from the alley. The total net floor area for office uses, excluding common areas and the common lobby areas, is proposed to be 9,412 square feet.
- 3. The building contains up to 21 separate commercial office units intended to be sold separately as condominium units. Commercial condominiums require a Conditional Use Permit pursuant to Section 17.22.100 of the Zoning Ordinance and approval of a tentative tract map
- 4. Since the project is located in the downtown district, the office uses are subject to the parking requirements of Section 17.44.040 which require 3 parking spaces per 1,000 square feet

of floor area. This results in a parking requirement of 28 spaces. There are 11 spaces provided on site.

- 5. The applicant is requesting consideration of a Parking Plan, pursuant to Section 17.44.210 for a reduced parking requirement, based on the net office area, and also requesting to pay parking in-lieu fees for the deficiency to the parking requirements.
- <u>Section 3</u>. Based on the foregoing factual findings the Planning Commission makes the following findings pertaining to the application for a Precise Development Plan, Conditional Use Permit, and Parking Plan:
- 1. The project is consistent with applicable general and specific plans and is in compliance with the use and development requirements of the Zoning Ordinance;
- 2. The site is zoned C-2 and is physically suitable for the type and density of proposed development and the project and the proposed use complies with the development standards contained therein;
- 3. The subdivision or types of improvements are not likely to cause serious public health problems;
- 4. The subdivision or type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision;
- 5. Design of the proposed subdivision is compatible and consistent with applicable elements of the City's General Plan, and is compatible with the immediate environment;
- 6. The project, as conditioned, will conform to all zoning and condominium laws and criteria and will be compatible with neighboring residential properties;
- 7. Pursuant to Section 17.44.210 of the Zoning Ordinance allows a reduction in parking spaces required based on factors including unique features of the proposed use, and in this case is reasonable to consider the parking demand based on net floor area used for office purposes since common lobby areas do not contribute to parking demand.
- 8. The applicant will compensate for the parking deficiency of 17 spaces, by paying a parking in-lieu fee, pursuant to Section 17.44.040
- 9. The general criteria of Hermosa Beach Municipal Code Section 17.58.030 for granting or conditionally granting a Precise Development Plan have been considered. In making this finding, the Planning Commission has determined that:

- a. The proximity of the project to existing commercial and residential uses in the downtown area will not result in negative effects with incorporation of the conditions below.
- b. The project is designed to minimize impact on ocean views from residential areas, as the building will be constructed in compliance with the 30-foot height limit of the C-2 zone.
- c. The amount of proposed off-street parking is sufficient for actual need and consistent with the parking requirements for the downtown district.
- d. The uses proposed are compatible with each other and with the area.

- e. The capacity and safety of the streets serving the area is adequate for the traffic volume estimated to be generated by the project as shown by the traffic impact analysis prepared by Linscott, Law and Greenspan, which demonstrates that traffic generation will not significantly increase as compared to the existing uses on the site, and the increase will not result in significant impacts on nearby intersections.
- f. The proposed exterior signs and decor are sufficiently compatible with existing establishments in the area with incorporation of the conditions below.
- g. Building and driveway orientation is appropriate to minimize noise and traffic impacts on nearby residential areas.
- h. The project will not result in adverse noise, odor, dust or vibration environmental impacts.
- i. The proposed use will not result in an adverse impact on the City's infrastructure and/or services.
- 10. The criteria of Hermosa Beach Municipal Code Section 17.58.030(C) for denial of a Precise Development Plan are not applicable. In making this finding, the Planning Commission has determined that:
  - a. The project will not substantially depreciate property values in the vicinity, or interfere with the use or enjoyment of property in such area, because of excessive dissimilarity or inappropriateness of design in relation to the surrounding vicinity.
  - b. The project will not have significant environmental adverse impacts.
- 11. The requirements of Hermosa Beach Municipal Code Section 17.44.040 for granting a Parking Plan for the payment of in-lieu fees for a portion of the required parking, and the policies

contained in the Local Coastal Plan, have been considered and are satisfied by the proposal. In making this finding, the Planning Commission has determined that:

- a. 39% of the required parking is provided on site, to exceed the minimum 25% required for buildings with a greater than 1:1 floor area ratio pursuant to Section 17.44.040(E)
- b. Sufficient parking exists and is being provided on-site in conjunction with the project to accommodate the parking demand of the project without causing a significant adverse impact on parking that is available to the beach going public.
- 12. The City Council, at its meeting of August 8, 2006, set the parking in-lieu fee of at \$28,900 per required parking space, payable in lump sum prior to issuance of Certificate of Occupancy.

#### Section 4. Environmental Review.

- 1. Pursuant to the California Environmental Quality Act ("CEQA") and the City's local CEQA Guidelines, the Staff Environmental Review Committee prepared an Initial Study of the potential environmental effects of the proposed project. Based upon the Initial Study, the Committee determined that there was no substantial evidence, in light of the whole record before the City, that the project would have a significant effect on the environment as long as certain mitigation measures are incorporated into the project to address parking issues. City staff thereafter prepared a Mitigated Negative Declaration for the project and duly provided public notice of the public comment period and of the intent to adopt the Negative Declaration. A copy of the Initial Study and Mitigated Negative Declaration are attached hereto and incorporated herein by reference.
- 2. The Planning Commission has reviewed the Mitigated Negative Declaration and all comments received regarding the Mitigated Negative Declaration. Based on the whole record, the Planning Commission finds that: (i) the Mitigated Negative Declaration was prepared in compliance with CEQA; and (ii) there is no substantial evidence that the proposed project will have a significant effect on the environment with the mitigation measures incorporated. Based on these findings, the Planning Commission hereby adopts the Mitigated Negative Declaration prepared for the proposed project incorporating the following mitigation measure:
  - a. Parking in-lieu fees shall be paid to compensate for the parking deficiency.
  - b. Parking shall be proved for customers and employees free of charge and on a first come first serve basis (i.e. no assigned parking) to maximize the efficient use of the on-site parking facilities.

Section 5. Based on the foregoing, the Planning Commission hereby approves the subject Precise Development Plan, Conditional Use Permit, Vesting Tentative Tract Map No. 68380 and Parking Plan subject to the following Conditions of Approval:

- 1. The development and continued use of the property shall be substantially consistent with submitted plans as reviewed by the Planning Commission at their meeting of May 15, 2007, incorporating all revisions as required by the conditions below. Any major modification shall be subject to review and approval of the Planning Commission. Minor modifications may be approved by the Community Development Director but shall not be final until confirmed by the Planning Commission as a consent calendar item on the Commission agenda.
- 2. Final plans for building permit issuance shall be revised to incorporate the following.
  - a. Install appropriate pavement marking (i.e. stop bar with STOP legend) on the project drive aisle just east of the public sidewalk to ensure motorists stop prior to the sidewalk before exiting the site
  - b. Provision of street trees and tree grates as approved by the Public Works
    Department in coordination with plans to improve Hermosa Avenue, or
    alternatively the owner shall deposit the necessary funds for the improvements to
    be constructed at a later date.
  - c. Decorative paving surfaces for the pedestrian entry, and entries into the parking areas shall be provided.
  - d. On-street parking and parking meter locations shall be reconfigured to maximize on-street parking.
- 3. A revised detailed landscape plan for on-site, and off-site landscaping, consistent with the conceptual plan shall be submitted for review and approval by the Community Development Director prior to issuance of building permits incorporating the revisions below:
  - a. Decorative surfaces shall be provided at driveway entry areas and at the pedestrian entry areas consistent with the submitted plan.
  - b. Street trees shall be provided with final tree location, type, and tree grates to be reviewed and approved by the Public Works Director.
  - c. Bicycle parking shall be provided in a convenient location, to the satisfaction of the Community Development Director.
- 4. In order to compensate for required parking that is not provided on site, the applicant shall contribute fees to the City's parking improvement fund in lieu of the required eighteen (17) parking spaces not provided on site, as set forth in Section 17.44.040(E) of the Zoning Ordinance, at the amount of \$28,900 per required space for a total of \$491,300 as set forth by resolution of the City Council. The payment of fees in-lieu of parking shall be made prior to issuance of a Certificate of Occupancy for the building.

б

- 5. All parking shall be available for free to customers and employees and no parking spaces shall be assigned for exclusive use by any owner, occupant, or tenant.
- 6. A parking management and operations plan shall be submitted for review and approval by the Planning Commission, regarding parking operations, efficiency, signage, and security and control of access, and setting forth a program to ensure free parking for the employees/customers of the building through the use of validation, or passes, or other method, and said plan shall include how the Parking Plan will be enforced including the signage to be posted in the parking facilities. The plan shall be implemented when the building is occupied. The Commission shall review the parking management plan and the operation and efficiency of parking facility 6 months after occupancy of the building.
- 7. Architectural treatment of the building and all finishes shall be as shown on building elevations and site and floor plans. Any modification shall require approval by the Community Development Director.
- 8. A detailed comprehensive sign plan shall be submitted for review and approval by the Community Development Director incorporating specifications for all individual tenant or owner signs that shall be consistent with that plan.
- 9. The uses of the building shall be as shown on the plan for exclusively general office use, and shall not include any other uses subject to greater parking requirements. The general office use does not include stair corridors, common lobby, common locker rooms or storage. General office use shall not include medical clinics, or retail businesses or services. Any material change in the use shall be reviewed and approved by the Planning Commission.
- 10. A covenant shall be incorporated into the Covenants, Codes and Restrictions for the condominiums and recorded with the property, and with State Department of Real Estate if necessary, stipulating that storage, lockers, lobby and other common areas cannot be converted to condominium office space.
- 11. Outdoor seating and use of the outdoor courtyard shall be limited to between 7:00 A.M. and 10:00 P.M. and no speakers, or televisions are allowed in the outdoor seating and courtyard areas.
- 12. Deliveries shall be permitted only on Hermosa Avenue and shall be scheduled in a staggered manner, and limited to between the hours of 9:00 A.M. and 5:00 P.M.
- 13. The lots that make up the project site shall be merged.

б

1.5

- 14. 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.
- 15. A detailed drainage and (SUSMP) Standard Urban Stormwater Mitigation Plan is required for approval by the Public Works Department, prior to the issuance of building permits and implemented on site, demonstrating best management practices for stormwater pollution control, and for sediment control and erosion control during construction.
- 16. The project shall meet all requirements of the Condominium Ordinance.
  - a. Covenants, Conditions, and Restrictions in compliance with the Condominium Ordinance Section 17.22.120 shall be submitted to the Community Development Department for review and approval prior to the issuance of building permits.
  - b. The Covenants, Conditions and Restrictions shall include all conditions of approval as contained herein, and shall also strictly prohibit any residential use and any use of the condominium units for overnight sleeping purposes.
  - c. Proof of recordation of approved CC & R's shall be submitted to the Community Development Director thirty (30) days after recordation of the Final Map.
- 17. The applicant is responsible for all off-site right-of-way construction required by the Public Works Department, or alternatively, may deposit funds in amount to cover the cost for future right-of-way construction for the Pier Avenue frontage.
- 18. Any existing or proposed encroachments in the public right-of-way, must comply with or be corrected as necessary to meet the requirements of Chapter 12.16 of the Municipal Code, including the requirement to obtain an encroachment permit from the Public Works Department.
- 19. The applicant shall submit all required plans and reports to comply with the City's construction debris recycling program including manifests from both the recycler and County landfill.
- 20. The applicant shall work with staff to incorporate green building standards in the building construction, such as energy efficient glazing and heating and ventilation systems, tankless water heaters, and cool roofs
- 21. The project shall comply with the requirements of the Fire Department.
- 22. Final building plans/construction drawings including site, elevation, floor plan, sections, details, signage, landscaping and irrigation, submitted for building permit issuance shall be reviewed for consistency with the plans approved by the Planning

Commission and the conditions of this resolution, and approved by the Community Development Director prior to the issuance of any Building Permit.

- 23. All roof equipment shall be located and designed to be screened from public view and any portion that exceeds the height limit shall not cover more than 5% of the roof area.
- 24. The project and operation of the business shall comply with all applicable requirements of the Municipal Code.
- 25. The Precise Development Plan and Parking Plan shall be recorded, and proof of recordation shall be submitted to the Community Development Department.
- 26. Each of the above Conditions of Approval is separately enforced, and if one of the Conditions of Approval is found to be invalid by a court of law, all the other conditions shall remain valid and enforceable.
- 27. Permittee shall defend, indemnify and hold harmless the City, it agents, officers, and employees from any claim, action, or proceeding against the City or its agents, officers, or employee to attack, set aside, void or annul this permit approval, which action is brought within the applicable time period of the State Government Code. The City shall promptly notify the permittee of any claim, action, or proceeding and the City shall cooperate fully in the defense. If the City fails to promptly notify the permittee of any claim, action or proceeding, or if the City fails to cooperate fully in the defense, the permittee shall not thereafter be responsible to defend, indemnify, or hold harmless the City.
- 28. The permittee shall reimburse the City for any court and attorney's fees which the City may be required to pay as a result of any claim or action brought against the City because of this grant. Although the permittee is the real party in interest in an action, the City may, at its sole discretion, participate at its own expense in the defense of the action, but such participation shall not relieve the permittee of any obligation under this condition.
- 29. The subject property shall be developed, maintained and operated in full compliance with the conditions of this grant and any law, statute, ordinance or other regulation applicable to any development or activity on the subject property. Failure of the permittee to cease any development or activity not in full compliance shall be a violation of these conditions.

Section 6. This grant shall not be effective for any purposes until the permittee and the owners of the property involved have filed at the office of the Planning Division of the Community Development Department their affidavits stating that they are aware of, and agree to accept, all of the conditions of this grant.

Section 7. Pursuant to the Code of Civil Procedure Section 1094.6, any legal challenge to the decision of the Planning Commission, after a formal appeal to the City Council, must be made within 90 days after the final decision by the City Council. VOTE: AYES: NOES: ABSTAIN: ABSENT: CERTIFICATION I hereby certify the foregoing Resolution P.C. No. 07-7 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 May 15, 2007. Kent Allen, Chairman Ken Robertson, Secretary May 15, 2007 Date F:\B95\CD\PC\2007\05-15-07\PDPR-906 Hermosa Av-approval (option 1).doc 

#### P.C. RESOLUTION 07-7

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF HERMOSA BEACH, CALIFORNIA, DENYING A PRECISE DEVELOPMENT PLAN TO CONSTRUCT A NEW THREE-STORY COMMERCIAL OFFICE BUILDING CONTAINING APPROXIMATELY 10,000 SQUARE FEET; A CONDITIONAL USE PERMIT FOR A COMMERCIAL CONDOMINIUM AND VESTING TENTATIVE TRACT MAP NO. 67748 TO DIVIDE THE BUILDING INTO 21 CONDOMINIUM UNITS; AND, A PARKING PLAN TO PAY PARKING IN-LIEU FEES TO COMPENSATE FOR PROVIDING LESS THAN REQUIRED PARKING ON SITE, , LOCATED ON PROPERTY AT 906 AND 910 HERMOSA AVENUE AND LEGALLY DESCRIBED AS LOTS 25, AND 26, TRACT #1564

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

Section 1. An application was filed by Hermosa Seaside Development Corporation owner of property at 906 and 910 Hermosa Avenue seeking approval of a Precise Development Plan, and Conditional Use Permit to construct a commercial office condominium building containing 21-units, and a Parking Plan for reduced parking requirements based on net office floor area, and to pay parking in-lieu fees to compensate for less than required parking.

Section 2. The Planning Commission conducted a duly noticed public hearings to consider the subject application on February 20, April 20, and May 15, 2007 and considered testimony and evidence both written and oral. Based on the testimony and evidence received the Planning Commission makes the following factual findings:

- 1. The subject site is located on the east side of Hermosa Avenue mid block between 8<sup>th</sup> Street and 10<sup>th</sup> Street with access from Hermosa Avenue and an alley. The property is currently used for a private parking garage and a dry cleaners business.
- 2. The project involves the demolition of all existing improvements and the construction of a three story building. The building proposals considered included either one level of parking with access from the alley or two levels of parking with access from the alley and the street. The total net floor area for office uses, excluding common areas and the common lobby areas, is proposed to be approximately 9,000 square feet.
- 3. The building contains up to 21 separate commercial office units intended to be sold separately as condominium units. Commercial condominiums require a Conditional Use Permit pursuant to Section 17.22.100 of the Zoning Ordinance and approval of a tentative tract map
- 4. Since the project is located in the downtown district, the office uses are subject to the parking requirements of Section 17.44.040 which require 3 parking spaces per 1,000 square feet of floor area.

- 5. The applicant is requesting consideration of a Parking Plan, pursuant to Section 17.44.210 for a reduced parking requirement, based on the net office area, and also requesting to pay parking in-lieu fees for the deficiency to the parking requirements.
- <u>Section 3</u>. Based on the foregoing factual findings the Planning Commission makes the following findings pertaining to the application for a Precise Development Plan, Conditional Use Permit, and Parking Plan:
- 1. The site is zoned C-2 and is not physically suitable for the scale of the proposed development given the limited building site area, and the pedestrian character of the district.
- 2. While Section 17.44.210 of the Zoning Ordinance allows a reduction in parking spaces required based on factors including unique features of the proposed use, in this case is not reasonable to consider a reduced parking standard since the project can be revised to provide all required parking on site.
- 8. While Section 17.44.040 of the Zoning Ordinance, allows paying a parking in-lieu fee, to compensate for less than required parking, it is not appropriate for this site, since the project could be modified in scope to lessen or eliminate the need for in-lieu parking.
- 9. The general criteria of Hermosa Beach Municipal Code Section 17.58.030 for granting or conditionally granting a Precise Development Plan have been considered. In making this finding, the Planning Commission has determined that:
  - a. The amount of proposed off-street parking is not sufficient for actual need and not consistent with the parking requirements for the downtown district.
- 10. The criteria of Hermosa Beach Municipal Code Section 17.58.030(C) for denial of a Precise Development Plan are applicable in this case. In making this finding, the Planning Commission has determined that:
  - a. The project may depreciate property values in the vicinity, or interfere with the use or enjoyment of property in such area, because of excessive dissimilarity in scale and the inappropriateness of design in relation to the surrounding vicinity, and the lack of off-street parking to serve the proposed use.
- 11. The requirements of Hermosa Beach Municipal Code Section 17.44.040 for granting a Parking Plan for the payment of in-lieu fees for a portion of the required parking, and the policies contained in the Local Coastal Plan, have been considered and are not satisfied by the proposal. In making this finding, the Planning Commission has determined that alternatives are available to reduce or eliminate the need for parking in-lieu fees.

Section 4. Based on the foregoing, the Planning Commission hereby denies the subject Precise Development Plan, Conditional Use Permit, Vesting Tentative Tract Map No. 68380 and Parking Plan. Section 5. Pursuant to the Code of Civil Procedure Section 1094.6, any legal challenge to the decision of the Planning Commission, after a formal appeal to the City Council, must be made within 90 days after the final decision by the City Council. VOTE: AYES: NOES: ABSTAIN: ABSENT: CERTIFICATION I hereby certify the foregoing Resolution P.C. No. 07- 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 May 15, 2007. Kent Allen, Chairman Ken Robertson, Secretary May 15, 2007 Date F:\B95\CD\PC\2007\05-15-07\PDPR-906 Hermosa Av-approval (option 1).doc